



Daily Report

East Asia

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Lee Kuan Yew Speaks at World Economic Summit
BK2109084095 Singapore BUSINESS TIMES
in English 21 Sep 95

[Unattributed report: "EU-Asia ties can ease impact of US-China tensions: SM" — received via Internet]

[FBIS Transcribed Text] A bigger European presence in East Asia will reduce the economic impact that any China-United States turbulence will have on the rest of the region, Senior Minister [SM] Lee Kuan Yew said last night.

Making the keynote address at the World Economic Forum Summit, Mr Lee said that though the current China-US tensions may be resolved, the differences in values and culture would persist and, from time to time, re-create tensions.

"Any such turbulence could affect the economic growth of the other countries in East Asia," Mr Lee told the conference participants.

"It will be prudent for East Asia to have Europe as a full partner, and as fully engaged in its economic growth as the US and Japan."

Europe will also benefit significantly from the region's growth, and East Asia now presents a wider range of opportunities, he said.

While China, Indonesia, Vietnam and India still offer cheap production sites for European producers, East Asia is also an increasingly important market for consumption and investment goods.

"Europe should use the huge opportunities to export its goods and services to East Asia, and help build the infrastructure that East Asia urgently needs to sustain its high growth."

Mr Lee noted that East Asia has overtaken the US as Europe's largest export market, and that rapid growth and urbanisation will increase East Asia's middle class at an exponential rate and swell its appetite for sophisticated foreign goods and services.

"To create jobs back home, European governments, corporations and financial institutions should team up with indigenous Asian companies to offer advanced technology at hard-to-refuse prices."

The willingness of European corporations to impart technology should give them an edge over Japanese rivals.

"To succeed in Asia, European MNCs [multinational corporations] will have to co-opt Asian talent, and create alliances with Asian businesses. They need to become

multi-cultural organisations to compete successfully in knowledge-based sectors.

"Corporations that get their ideas from only one culture will lose out in innovations."

Later, in response to questions from participants, Mr Lee said it would be hard for Americans to accept the growing political clout of an economically dynamic Asia, especially China. Good ties between the East and West, essential for world peace, can only be really achieved when the West accepts Asians as their equals.

Mr Lee also said that the coming Apec [Asia-Pacific Economic Cooperation] Summit in Osaka will likely be an exercise in consolidation. With national elections in their minds, the leaders of the US and Japan are unlikely to give Apec the kind of boost seen at the Seattle and Bogor summits.

Suharto Addresses Europe-East Asia Summit
BK2109111295 Singapore Radio Corporation of
Singapore in English 1000 GMT 21 Sep 95

[FBIS Transcribed Text] Indonesia is committed to international cooperation. President Suharto said his country will follow the most-favored-nation principle in reducing trade barriers.

He made this point in his keynote address at the Europe-East Asia Economic Summit. RCS news reporter Cheng Win Gau with the details:

[Begin recording] [Cheng] Speaking through an interpreter, President Suharto said his country has taken a leading position to help improve economic cooperation among countries.

[Suharto speaking in Indonesian] I have conveyed Indonesia's commitment to international cooperation in the efforts to build a world where all of us can benefit from the development.

[Cheng] The Indonesian leader said his country will help build a world where all can benefit from growing trade and investment. He said the last APEC [Asia Pacific Economic Cooperation] summit established a vision of free and open trade and investment in the region. President Suharto urged the forthcoming APEC meeting in Osaka to put across a concrete program for implementing the Bogor Declaration. He says that it is important for countries represented here at this summit to know that the goal in building regional arrangement is not to create any form of trade bloc. [end recording]

President Suharto said regional arrangement should contribute to existing efforts to build a global trading system.

Japan**Clinton's 'Regret' for Alleged Rape Case Praised***OW2209040895 Tokyo KYODO in English
0345 GMT 22 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 22 KYODO — Japan on Friday [22 September] welcomed U.S. President Bill Clinton's expression of regret for the alleged rape of a Japanese schoolgirl in Okinawa by three U.S. servicemen earlier this month.

"We welcome this statement," Chief Cabinet Secretary Koken Nosaka told a news conference, responding to Clinton's remarks that Washington "deeply regrets the incident."

In a radio interview from Los Angeles on Thursday, Clinton also said the United States was ready to discuss a review of the bilateral agreement on the status of U.S. military personnel in Japan.

But Nosaka said Tokyo will decide its stance on this issue after looking at the outcome of a Japan-U.S. panel's discussion on legal aspects of the bilateral accord.

Okinawa Governor Masahide Ota said Clinton's interest in discussing a review of the criminal jurisdiction procedures is important.

"While it's natural, I think it has considerable significance," Ota said of Clinton's statement.

"I hope we can seriously discuss and resolve the demands (from Okinawa Prefecture) on both governments in relation to the case, as well as other issues related to the bases," Ota said.

Government, Coalition Considering SOFA Review*OW2209054895 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 21 Sep 95 Morning Edition p 1*

[FBIS Translated Text] The government and the ruling parties decided on 20 September to consider a review of the Japan-U.S. Status of Forces Agreement [SOFA], including revision of its articles and clauses, in the wake of the alleged abduction and rape of a local primary schoolgirl in Okinawa Prefecture by U.S. servicemen. Initially, the government was opposed to a review of SOFA. However, it changed its stance after the ruling coalition parties decided at a 20 September meeting on foreign affairs to consider a review of the agreement. The government has now decided to clarify and study problems associated with SOFA. In the evening of 20 September, a top government official stated that "the review will cover the whole agreement," not only Article 17 that prescribes turning over U.S. servicemen who commit crimes in Japan to Japanese authorities. Since

many government officials, mainly at the Ministry of Foreign Affairs, have a cautious view that an immediate revision of SOFA will undermine Japan-U.S. relations, it is not known when, to what extent, and how the agreement will be reviewed.

The top government official indicated an intention to review SOFA as a whole, saying: "(If SOFA is not reviewed), anti-U.S. sentiment will probably mount, and (people's dissatisfaction) will erupt in Okinawa." He added: "There is no need to be concerned about (the government's) saving face."

Meanwhile, Chief Cabinet Secretary Koken Nosaka said at a news conference on the evening of 20 September: "If the calls within the ruling parties become stronger, it is only natural that the government and the ruling parties should discuss (a review of the agreement)."

At a meeting of the government and ruling parties liaison council the same evening, Nosaka asked the ruling coalition to consider what SOFA ought to be like. In response, Wataru Kubo, secretary general of the Social Democratic Party of Japan, said: "It is a problem that we cannot detain suspects who commit an outrageous crime. We cannot say it is not necessary to review SOFA." He thus called for a review of the agreement. Kabun Muto, chairman of the Liberal Democratic Party's General Council, also said: "Public sentiment cannot tolerate such an incident. The government needs to indicate its intention to revise the agreement."

Yohei Kono, deputy prime minister and foreign minister, indicated he would meet with U.S. Ambassador to Japan Walter Mondale on 21 September to convey Japan's strong sense of regret over the incident involving U.S. military personnel. Kono also said the case can be solved without revising SOFA. Given the situation, Nosaka stated that the government will not seek a revision of the agreement immediately but "will take some practical measures to solve the present issue."

Joint Study of Security Ties With U.S. Viewed*OW2109225595 Tokyo YOMIURI SHIMBUN
in Japanese 19 Sep 95 Morning Edition p 19*

[By Koichi Akaza]

[FBIS Translated Text] Washington — A Japan-U.S. joint study for "updating the bilateral security ties" is now near completion. What kind of message will the two nations deliver to those who call for a revision or abolition of the Japan-U.S. Security Treaty?

"U.S. Forces should withdraw from the Asian region to put an end to security ties with allies, and the vacuum created by the U.S. pullout should be filled up by a

natural power balance — this is an attractive theory but extremely dangerous." U.S. Secretary of Defense William Perry, in a 12 September speech in New York, strongly criticized domestic demands for an abolition of the Japan-U.S. Security Treaty.

Perry's criticism was made as a counterargument to a report by Director Chalmers Johnson of the Institute on Japanese Policies carried in *FOREIGN AFFAIRS*, a widely-circulated U.S. magazine specializing in diplomatic issues. The report, entitled "Rigid Strategies of the Pentagon," criticized the "East Asia Strategy Report" released by the U.S. Defense Department for pledging to "maintain 100,000 troops in the Asian region for the coming two decades." The Johnson report insists on a drastic revision or a peaceful abolition of the Japan-U.S. Security Treaty, noting: "Now that the threat of the Soviet Union has disappeared, the treaty stipulating unilateral defense obligations by the United States becomes totally outdated."

The *FOREIGN AFFAIRS* report triggered a hot debate within U.S. journalistic circles, carrying a counterargument by U.S. Assistant Secretary of Defense Joseph Nye on the same issue. Nye said: "A U.S. pullout from Asia will endanger U.S. national interests in the long run."

The Japanese and U.S. authorities stress that the bilateral security pact should be maintained, noting 1) uncertainties remain in Asia even after the conclusion of the Cold War, such as the Korean peninsula situation and arms expansion by China; and 2) the Japan-U.S. Security Treaty is beneficial for regional stabilization within Asia, which has no multinational security framework like NATO. Redefinition of the security pact was started last year as the "Nye initiative" to respond to critical opinions from Johnson and other revisionists.

The unilateral nature of the Japan-U.S. Security Treaty was criticized as a "free ride by Japan" even during the Cold War period. The Johnson report said: "The presence of the 7th Fleet in East Asia has not been helpful for opening the market of the region. We had better use as a bluff the withdrawal of the fleet as a useful bargaining chip." It appeared that the Johnson report gave fresh impression on the U.S. public intensifying "inward mobility."

Japan and the United States have been carrying on working-level negotiations to update the security pact since last November, and the two nations will work out the final draft at a meeting of the foreign and defense ministers in New York later this month. The joint work is expected to be hammered out as a joint communique on reinforcement of the bilateral security ties following the Japan-U.S. summit talks in November.

In future working-level talks the two nations agreed to promote security cooperation in three fields — 1) bilateral; 2) regional; and 3) global fields — and to incorporate definite examples in the joint communique. In the bilateral field, Japan will increase its expenditures for expenses of U.S. Forces Japan. The two nations will promote multinational security talks in Asia as their regional cooperation and jointly participate in UN peacekeeping operations as their global cooperation.

It is believed that the Perry speech on 12 September was intended to reemphasize the need for the bilateral security ties to pave the way for a joint communique in view of the preparatory development.

It may be greatly significant to establish a future-oriented foundation of the Japan-U.S. alliance at this moment of the 50th anniversary of the end of World War II. However, both nations have problems to overcome. U.S. President Bill Clinton is now focusing on domestic affairs to prepare for the 1996 presidential election. In a 2 September speech made at the Victory-over-Japan Day ceremony in Honolulu, Clinton did not mention the Japan-U.S. relations.

The situation is much worse in Japan managed by a instable coalition government. While the Liberal Democratic Party and the Social Democratic Party of Japan have long been in confrontation with each other over security issues, the two parties now stay away from debates on defense policies to protect the unity of the coalition government. As a result, the defense budget is discussed only with respect to size, without adequate examination of the contents. What will be the direction of Japan-U.S. relations in the 21st century? The government should carry on full-fledged arguments to obtain greater public understanding.

Belgium To Process Nuclear Fuel Before Shipment

*OW2109045395 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 18 Sep 95 Morning Edition p 1*

[FBIS Translated Text] The government and the electric power industry have decided that plutonium derived from used nuclear fuel reprocessed in the UK and France will not be brought back to Japan directly but processed into uranium/plutonium mixed oxide (MOX) fuel in Belgium.

The decision was made in consideration of international criticism against sea transport of simple plutonium material for storage in Japan due to the danger of nuclear hijacking en route and suspicions about Japan's developing nuclear arms. Used nuclear fuel will be reprocessed into MOX fuel, which is not likely to be converted to military use, for transport and used in domestic nuclear power plants.

The government will soon open negotiations with the Belgian government on a nuclear power agreement, and the power industry plans to start transport of MOX fuel to Japan as early as 1998.

The power industry will contract with the Belgian firm Belgo Nuclear for MOX fuel processing. The company has the largest processing plant in Europe, with a yearly capacity of 35 tons. Although Belgo Nuclear also has processing plants in the UK and France, they are too small. Plutonium recycled in the UK and France will be transported to Belgium for reprocessing.

For this purpose, the government is already making informal contacts with the Belgian Government to sign a government-level nuclear power agreement. Formal negotiations may start within FY95. The agreement will basically cover a ban on conversion to nuclear weapons (provision on peaceful use), transport of plutonium, use of processing plants, and protection of nuclear cargo.

Under the Japan-U.S. Atomic Energy Agreement, transport of plutonium from the UK and France to Belgium requires prior approval by the United States. Therefore, negotiations with the U.S. Government will take place simultaneously.

After the governmental agreement is signed, the power industry plans to sign a processing contract with Belgo Nuclear to start transporting MOX fuel to Japan in three or four years. Details on the duration of the contract and the amount of fuel will be discussed eventually. MOX fuel to be processed will be used in ordinary nuclear power plants (light water reactors).

Thus far, Japan has contracted the UK and France for reprocessing used nuclear fuel and has obtained around 4.9 tons of plutonium from France and 1.3 tons from the UK. However, as illustrated by the criticism overseas of the shipment of plutonium from France on the Akatsuki-Maru in 1992, the international community strongly opposes transporting plutonium, due to problems in securing the nuclear cargo.

On the other hand, MOX fuel contains a mere 3 percent of fissionable plutonium and uranium and would be difficult to convert to military use. For this reason, the government and the power industry decided that it would be best to process used nuclear fuel into MOX fuel before transporting it to Japan.

To avoid any suspicion of manufacturing nuclear arms, the government has decided not to possess any surplus plutonium and to implement the "plutothermal" program from FY 98, which will be executed vigorously along with efforts to have nuclear fuel processed in Belgium.

The Federation of Electric Power Companies (chaired by Hiroshi Araki, president of Tokyo Electric Power Company) has started the process of selecting nuclear power plants to implement the "plutothermal" program. Tokyo Electric Power's plants in Fukushima (Fukushima Prefecture) and Kashiwazaki (Niigata Prefecture); Kansai Electric Power's plant in Takahama (Fukui Prefecture); and Chubu Electric Power's plant in Hamaoka (Shizuoka Prefecture) are being considered.

There are plans to build MOX fuel plants domestically in the future as part of efforts to recycle nuclear fuel. An increase in contract processing overseas may affect such plans.

No APEC Invitation to Taiwan's Li Reiterated

*OW2209035795 Tokyo KYODO in English
0245 GMT 22 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 22 KYODO — Foreign Minister Yohei Kono repeated Japan's stance Friday [22 September] that it will not invite Taiwan President Li Teng-hui to the Asia-Pacific Economic Cooperation (APEC) forum in Osaka in November.

Kono told a press conference that when drawing up the list of participants to the Osaka meeting, Japan will follow the precedence of the two previous meetings in Seattle and Bogor, to which Li was not invited.

As the host of this year's forum, Japan is making every effort to ensure smooth operation of the APEC meeting, he said.

On Thursday, a Liberal Democratic Party (LDP) lawmaker quoted Li as saying he wants to attend the APEC forum and meet Chinese officials there.

Masakuni Murakami, a senior LDP legislator at the House of Councillors, said Li made the remarks during their meeting in Taipei.

"I am not thinking about having Vice Premier Hsu Li-teh or a minister in charge of the economy to go if I do not," Li was quoted as saying.

Japanese Government sources have said Japan will not allow Hsu to attend APEC's informal summit meeting but instead will invite Economic Affairs Minister Chiang Pin-kung.

China, which regards Taiwan as a renegade province, strongly opposes having Li or Hsu attend the Osaka meeting.

Tokyo, Pyongyang Officials To Meet in Beijing

OW2109235395 Tokyo TOKYO SHIMBUN
in Japanese 20 Sep 95 Morning Edition p 3

[FBIS Translated Text] On 19 September, Japan and the DPRK (North Korea) agreed to hold working-level talks in Beijing as early as late this September. The two nations are now finalizing a concrete schedule for that meeting.

The latest round of negotiations follow Japan's approval of the DPRK's formal request for diplomatic talks. As Japan-DPRK talks on normalization of diplomatic relations have been being suspended since November 1992, the September talks will be the first official meeting in almost three years. Japan intends to raise various topics in Beijing, including the DPRK's stance toward resumption of the normalization talks.

Japan decided to fund \$500,000 (or about 50 million yen) in cash as flood-relief aid to the DPRK through several UN organizations, such as the UN Children's Fund (UNICEF). Moreover, the government announced plans to consult with the DPRK—upon request—on additional rice aid. Now, the key issue is whether the Beijing talks will offer a clue on resumption of the normalization talks, or for improving overall relations between the two nations.

Koro Bessho, chief of the Foreign Ministry Northeast Asia Division, is expected to attend the working-level talks. However, it is still uncertain who will represent the DPRK. The government does not view the upcoming talks as a preliminary negotiation for resuming the normalization talks. Therefore, Japan's position is that the resumption of the normalization talks should be formally discussed at separate meetings.

Sign of Better Tokyo-Pyongyang Ties Noted

OW2109055595 Tokyo ASAHI SHIMBUN
in Japanese 17 Sep 95 Morning Edition p 3

[FBIS Translated Text] At the request of North Korea, a preliminary meeting on normalizing diplomatic ties with the DPRK (North Korea) will be held in Beijing this month. It is also likely that Japan will give additional rice aid to North Korea because Kim Yong-sun, secretary of the Korean Workers' Party (KWP), wrote a letter clarifying his controversial comment on Japan's rice aid. This is one of a growing number of signs of improving ties between Japan and the DPRK. It seems all these things are happening because North Korea has shifted to a positive stance. Since the "nuclear" issue and other matters are always associated with North Korea, the world is watching closely every move North Korea makes. Through the preliminary meeting and other talks, the Japanese Government will

carefully sound out North Korea's true intentions and any future moves.

Quick Shift After Receiving Letter

Many officials of the government and the Liberal Democratic Party were surprised by Kim's 12 September letter. They said, "We did not expect him to speak candidly like this." Secretary Kim, in an interview with a South Korean magazine, had said, "Japan gave us rice as an expression of apology." After receiving the letter, the rice issue, which had been complicated by the controversial comment and by opposition from the ruling parties, immediately moved toward settlement.

Through its embassy in Beijing and other channels, Japan had been calling on North Korea to resume negotiations on normalizing diplomatic ties, but no response came for several months. In early September, when the aid issue became complicated, North Korea suddenly made contact with Japan, saying, "We would like to hold a preliminary meeting in Beijing."

Bewildered, the Ministry of Foreign Affairs (MOFA) accepted the offer, saying, "We hope to resume negotiations on normalizing diplomatic ties" (according to a senior MOFA official). Accordingly, arrangements were quickly made to hold the preliminary meeting.

What Is the True Intention of the DPRK's Shift to a Positive Stance?

What is the aim of North Korea's move to improve relations with Japan? North Korea will mark the 50th anniversary of the KWP's founding on 10 October. According to a prominent view among MOFA officials, Secretary Kim Chong-il may take advantage of this occasion to be inaugurated as KWP secretary general, and a new system may officially start functioning. North Korea will hold a vice ministerial meeting with the ROK in Beijing in late September and will start discussions with the United States on establishing a liaison office. These moves are part of North Korea's attempt to improve ties with other countries.

On the other hand, some observers think the immediate motive for improving ties with Japan and other countries is the worsening North Korean economic situation in the wake of recent major flood damage and other causes. These observers believe North Korea's aim is to get aid to reconstruct its domestic economy without taking full-fledged measures to open its doors to other countries.

Difficulties Are Unavoidable in Negotiations

At the preliminary meeting and other talks, MOFA will find the true intention behind North Korea's positive shift. There are many unknown factors in the North

Korean domestic situation, including flood damage and formation of a new system. Negotiations with the Japanese Government give a precious chance to the international community as well.

However, the government will encounter many difficulties as it contacts and negotiates with North Korea. One of them is the cool attitude at home. Japanese enthusiasm for normalizing diplomatic ties with North Korea has "cooled down considerably" compared to 1990, when a delegation led by former Deputy Prime Minister Shin Kanemaru agreed with North Korea to start negotiations on normalization.

Moreover, the negotiations, if resumed, will inevitably face hard sailing, because there are many difficult issues between the two countries — including compensation for the past, suspected development of nuclear weapons, and visits to Japan by Japanese women married to North Koreans. Also, the negotiations will be affected by various international projects involving North Korea, such as the Korean Energy Development Organization's (KEDO) project to replace North Korean reactors with light water reactors. As normalization comes to life, the Japanese Government will be forced to deal with unprecedented and difficult cases. It will have to make decisions one after another, while watching the reactions of the ROK, East Asian countries, the United States, and other countries, not to mention domestic public opinion toward North Korea.

Tokyo, Seoul Plan Regular Talks on Weapons

*OW2109145695 Tokyo KYODO in English
1408 GMT 21 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 21 KYODO — The Defense Agency has decided a policy to start regular Japan-South Korean talks on military equipment between their military officials, the agency sources said Thursday [21 September].

Defense Agency Director General Seishiro Eto is expected to make the overtures during a bilateral defense chief meeting Friday in Seoul, they said.

When senior defense officials of the two nations met Saturday in Seoul, South Korea broached the idea that their defense sections in charge of procurement hold regular talks.

Seoul apparently wants to procure Japanese multipurpose high-tech parts for its tanks, warplanes and other equipment, the sources said.

The Defense Agency has accepted Seoul's proposal because they believe such talks would be helpful in stepping up the tie-up among Japan, South Korea and

the United States over the situation on the Korean Peninsula, the sources said.

The agency considers such talks would also be useful in consolidating confidence-building measures between the two nations.

The proposed consultations, if realized, would mark the first substantial military cooperation between the two countries.

Previous cooperation has been limited to small-size personnel exchanges due to Japan's past history of invading and annexing the Korean Peninsula.

Japan's current three principles on its weapon exports ban do not allow Tokyo to provide munitions information to countries other than the U.S., but South Korea may ask Japan to make such contributions depending on the development of the proposed talks, they said.

The Japanese Ministry of International Trade and Industry and the munitions industry have asked the state to lift the ban and allow supplying such techniques to friendly countries.

The talks are likely to begin with working-level consultations to make sure the new cooperation would not violate the three principles on the weapon export ban and then proceed toward exchange of information and talks on south Korean procurement of Japanese parts, such as computer parts and liquid crystal, they said.

The negotiations may develop into the joint development of weapons between the two countries in the future, the sources said.

Tokyo To Resume Development Aid to Burma

*OW2209000795 Tokyo SANKEI SHIMBUN
in Japanese 19 Sep 95 Morning Edition p 2*

[FBIS Translated Text] The government decided on 18 September to provide grant-in-aid worth about 1.6 billion yen for expanding facilities at a nursing school in Yangon [Rangoon] in October as the first project in Japan's resumption of full-scale Official Development Assistance (ODA) to Myanmar [Burma]. This will be the first full-scale economic aid to the country in seven years.

The government has, in principle, suspended any economic assistance to Burma, with the exception of emergency humanitarian aid, since the military junta and the State Law and Order Restoration Council (SLORC) took political power in 1988. However, since the military junta released pro-democracy leader Aun San Suu Kyi from house arrest in July, the government announced its plan to gradually reopen yen loans and other ODA to the country.

As the first program to be funded by Japan's grant-in-aid after resumption of ODA, the government dispatched a fact-finding mission to Burma at the end of August and studied the amount and the schedule of this aid. It has been decided that the government will follow through with the aid after the two nations sign and exchange official documents in October.

The Yangon nursing school, which will be funded by Japan's economic aid, is the only nurse training center in the country.

The center was constructed with Japanese grant-in-aid (worth about 2.9 billion yen) in 1983 and 1984. Since then, the buildings have become dilapidated and too small so that there is a need for expanding the facilities.

The government is also undertaking a technical review to reopen eight yen loan projects that were suspended after concluding contracts. One of the projects is the renovation of Yangon's international airport. However, it is likely that "concrete yen loan plans will resumed as of the next fiscal year" (as stated by a source at the Foreign Ministry).

Ministry Announces Y400 Million Aid to Malawi

OW1409104395 Tokyo KYODO in English
0815 GMT 14 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 14 KYODO — Japan will give Malawi up to 400 million yen [Y] in grant-in-aid to help it cope with serious food shortage due to drought, the Foreign Ministry said Thursday [14 September].

Malawi's Finance Minister Aleke Banda and Japanese Ambassador to Malawi Tadashi Masui exchanged notes on the Japanese aid in Lilongwe earlier in the day, the ministry said.

Malawi will use the Japanese aid to purchase wheat, it said.

Trade Minister Hashimoto Chosen LDP President

OW2209071995 Tokyo KYODO in English
0715 GMT 22 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 22 KYODO — The dominant ruling coalition partner Liberal Democratic Party (LDP) on Friday [22 September] picked International Trade and Industry Minister Ryutaro Hashimoto as its 17th president.

Hashimoto, 58, overwhelmingly beat his only rival, former Posts and Telecommunications Minister Junichiro Koizumi, 53, who entered the race after incumbent LDP president and Foreign Minister Yohei Kono dropped out.

Hashimoto received 304 votes, compared with Koizumi's 87 votes.

The party has around 1.5 million card-carrying members nationwide and the turnout rate stood at 55.23 percent, party officials said.

Every 10,000 votes from the rank and file will count as the equivalent of one Diet member's vote. The LDP has 312 Diet members.

The LDP will officially endorse Hashimoto as the new president for a two-year term at a party convention on Monday.

The winner has pledged he will continue supporting the current tripartite coalition government led by Prime Minister Tomiichi Murayama from the smaller coalition partner Social Democratic Party (SDP).

As new party head, Hashimoto is likely to deal with political issues such as an extraordinary Diet session to convene soon and the Asia-Pacific Economic Cooperation (APEC) forum to be held in November in Osaka, along with two other party heads — Murayama and New Party Sakigake [Harbinger] leader and Finance Minister Masayoshi Takemura.

Hashimoto, however, is likely to strengthen his pursuit to realize a government led by a prime minister from the LDP.

A general election of the House of Representatives to decide on a next administration is expected to be held later this year or next.

The situation over the SDP is also wobbly as it recently decided to transform itself in late October into a new liberal party, which Murayama is unlikely to head.

Hashimoto Meets Press as LDP President-Elect

OW2209132395

[FBIS Editorial Report] Tokyo NHK General Television Network in Japanese at 0723 GMT on 22 September carries 21 minutes of live coverage of a news conference by Ryutaro Hashimoto, president-elect of the Liberal Democratic Party (LDP).

Hashimoto, who also serves as the international trade and industry minister in the Murayama cabinet, was officially elected the new LDP President following a nationwide vote by LDP members and lawmakers.

Hashimoto begins the news conference with a brief statement expressing his gratitude to the LDP members who voted for him, and praising his rival, Junichiro Koizumi.

Asked about a possible reshuffle of top party executives, Hashimoto says he still has no definite plans as the issue should be discussed at the LDP convention scheduled for 25 September.

He adds: "If I have something to say, it is that I want to build a strong team consisting of fresh, stable, and capable people, though this may sound as though I am expecting a bit too much."

On his attitude toward the pro-Koizumi group in the LDP, Hashimoto says: "I do not intend to draw a line between those who supported me and those who supported Mr. Koizumi."

Reporters then ask about possible changes in the balance of power in the three-party coalition due to the conservative political stance of pro-Hashimoto LDP lawmakers. Hashimoto says that under his leadership the LDP will continue to respect the framework of the coalition with the Social Democratic Party of Japan and Sakigake (Harbinger) because political stability is needed to fulfil the government's priority task of boosting the stagnant economy.

He adds: "Even under the coalition government, however, we will not slacken our efforts to incorporate LDP policies into the coalition consensus."

Asked if he will take the post of the deputy prime minister when it is offered by Prime Minister Tomiichi Murayama, Hashimoto says: "I have not heard of such an offer. Rather, I have recently told the chief cabinet secretary it is preferable that Mr. Kono attend the UN General Assembly as deputy prime minister and foreign minister."

Asked about his campaign pledge to provide a new advisory panel to accelerate administrative and fiscal reform, Hashimoto says he intends to open intra-party discussion on the idea.

He says: "I would like to begin by first gaining the party's cooperation. I must ask party members to decide whether or not the new party leadership takes my ideas fully on board."

Pointing out his reputation as conservative leader, he is asked whether his election as LDP president will intensify tension in the coalition government.

Hashimoto says: "I have tried my best to support the coalition government as a member of the cabinet under the supervision of the LDP president — that is my responsibility as a cabinet minister. My responsibility to the cabinet will not change, no matter what role I take in the party. There is nothing I can do if some people feel I cannot be trusted on those grounds. If our

coalition partners say Mr. Kono was trustworthy but I am not, I will try my best to gain their confidence."

At 0744 GMT NHK abruptly ends its coverage while the news conference is in progress.

Extraordinary Diet Session To Convene 27 Sep

OW2209052895 Tokyo KYODO in English
0458 GMT 22 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 22 KYODO — The ruling coalition and opposition parties agreed Friday [22 September] to convene an extraordinary Diet session on Sept. 27, government officials said.

Chief Cabinet Secretary Koken Nosaka told a meeting of the House of Representatives steering committee that the cabinet of Prime Minister Tomiichi Murayama plans to decide on the schedule for the Diet session Friday afternoon.

Both the ruling coalition and opposition parties accepted the schedule, the officials said. The session is set to last for 46 days until Nov. 13.

Murayama is expected to deliver a key policy speech on the first day and answer questions from the parties over the speech on Oct. 2 and 3.

Finance Minister Masayoshi Takemura is scheduled to deliver a financial speech on Oct. 4, when the government is to submit bills for the second supplementary budget for the current fiscal year.

Nosaka said the government plans to submit a bill to revise the law regulating religious organizations, but Koji Morimoto of the main opposition party Shinshinto (New Frontier Party) called for cautious handling of the issue.

LDP Presidential Runner Koizumi Interviewed

OW2109135495 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 16 Sep 95 Morning Edition p 2

[Summary of an interview with former Posts and Telecommunications Minister Junichiro Koizumi by unidentified NIHON KEIZAI SHIMBUN reporter; place and date not given]

[FBIS Translated Text] [NIHON KEIZAI SHIMBUN] Why do you persist in advocating the secession of the Liberal Democratic Party [LDP] from the coalition?

[Koizumi] I say it on the premise that I will take over the presidency. If I become a president I will come up with policies that are very different from current ones; but even if the LDP leaves the coalition, I will establish a system that can win public support in elections. As

I will hammer out policies that differ from those of the Social Democratic Party of Japan [SDPJ], the LDP will be unable to work with the SDPJ when I take the presidential post. In short, the party should not be afraid of leaving the coalition to become an opposition party. It should listen to what the people are saying.

However, as long as the current situation continues, it is impossible to secede from the coalition. Under President Hashimoto, it will be difficult to give impetus to efforts to promote administrative and financial reform and actions to boost the economy. Since people still feel a certain sense of hopelessness, the LDP should not leave the coalition under current conditions. However, when I become a president, it will leave the coalition.

[NIHON KEIZAI] There is prevailing view that the LDP's defeat in the last upper house election was due to the fact the LDP lost many of its characteristics when it formed the coalition with the SDPJ. What do you think of this?

[Koizumi] Those views reflect the party's pride. As a result of the election, despite the fact the LDP had more seats than the SDPJ, it made a concession to the SDPJ and had no choice but to choose a leader from what has been our longtime political enemy. The LDP does not have the courage to become an opposition party, and as a result, it cannot afford to come up with policies and establish a system able to win public confidence. This is the weakness of the current LDP.

[NIHON KEIZAI] Whoever wins, President Yohei Kono will be replaced. Will the relationship between the LDP and the Murayama Government change under a new LDP president?

[Koizumi] Drastic change will not be made under Mr. Hashimoto. If I become a president, there will be drastic change. This is what I am stressing in the election campaign.

[NIHON KEIZAI] How about the timing of the dissolution of the lower house for a general election?

[Koizumi] If I were the president, I would have sought the dissolution of the lower house by the end of this year, after the enactment of the large supplementary budget. I think, if Mr. Hashimoto takes over as president, the Murayama Government will continue for one reason for another.

[NIHON KEIZAI] What are the immediate issues to be dealt with before the general elections?

[Koizumi] We have to break the party's tendency to cling to vested interests. Administrative and financial reform have to be carried out. I propose the privatization of three postal services because it will lead not only to

reform of the postal service, but also to a review of treasury investments and loans, and of corporations that have special status. This should be done together with the enactment of economic measures. If a decision was made to privatize the postal service, the private sector would be naturally encouraged. There are people who do not know that privatization of the postal service is itself part of the administrative and financial, and economic reform measures.

As far as party affairs are concerned, we need to introduce retirement at 70. We have to rejuvenate the party by letting younger members take leadership.

[NIHON KEIZAI] Although your supporters were put under pressure not to endorse you as a candidate, do you think the party members can be united after the election without any unpleasant recriminations?

[Koizumi] That will be important. As a matter of fact, there is already a rumor that "those who supported Koizumi will be deprived from important posts." The emergence of such feelings is what I am afraid of, and we have to break it down.

[NIHON KEIZAI] What do you think of Mr. Hashimoto's view that cooperation with bureaucrats is necessary to promote administrative and financial reform?

[Koizumi] What Mr. Hashimoto says is the traditional view held by the LDP, and there has been no drastic progress made in administrative reform. Drastic reform cannot be made under the conventional system. It is only thanks to the leadership of then Prime Minister Yasuhiro Nakasone that Japanese National Railways was privatized.

[NIHON KEIZAI] Do you think that it is inevitable that deficit-covering national bonds will be issued to boost the economy?

[Koizumi] It is necessary in an emergency situation. Seeing [Los Angeles Dodgers'] Nomo's pitching, I came to recognize that a pitcher should not always score strikes. Sometimes he has to throw wild split-finger balls and fast balls. Then these balls make strikes effective. Cuts in taxes and the issuing deficit-covering bonds are like bouncing fork balls. But these are necessary to get a strikeout — that is, to put the economy on the right path.

[NIHON KEIZAI] What is your economic policy on such issues as tax cuts and reform of the land tax system?

[Koizumi] We cannot stop a plan to cut taxes amounting 2 trillion yen. We must cut corporation tax, abolish

the securities transaction tax, and freeze the land value tax. Together with these cuts, we need to issue deficit-covering bonds, privatize the postal service to encourage the private sector.

[NIHON KEIZAI] There is a view that lively discussion of the constitution is needed on the issue of Japan's campaign to win a permanent seat on the UN Security Council. What do you think?

[Koizumi] We must look at the reaction of foreign nations. We need to see how other countries view the heterogeneity of Japan and how Japanese people react to the judgment of the foreign nations. It is meaningless to discuss constitutional issues now. We need to see how the international community will react, and only then we can decide whether discussion is needed.

Hashimoto Personal, Political Character Profiled

952B0222A Tokyo SHUKAN ASAHI in Japanese
18-25 Aug 95 pp 33-35

[Article by Takeshi Soga, SHUKAN ASAHI reporter: "Fierce Struggle Between Hashimoto and Kono: Three Conditions for "Master Ryutaro" to Become Party President; A Kiss for His Grandchild Every Morning"]

[FBIS Translated Text] His line when selected as a best-dressed person, a rare thing for a politician, was good. "My figure and my clothes have not changed in the last 20 years. I could have received the award 20 years ago." Will Ryutaro Hashimoto, age 58, become the "face" of the Liberal Democratic Party [LDP]? He is a man who always has too many smug lines.

"Master Ryu" [the author frequently refers to Hashimoto as "Ryusama" a form of reference combining informality with deference, which a geisha might use to refer to a client, or a servant might use to refer to a young member of the household; it is used here in a teasing manner] is "Master Ryu" from the time he gets up in the morning.

Every morning political reporters assigned to cover Hashimoto gather in a room of his condominium in the Roppongi section of Tokyo. When they wait in the living room, which is cluttered with plastic models, mountain-climbing equipment and cameras from Hashimoto's hobbies, Hashimoto opens the bedroom door in a breezy manner and enters the living room.

Of course he is not the kind of unrefined "Master Ryu" who would receive them wearing long underwear and with unruly hair. His hair is already heavily pomaded and combed back so that the tracks of the comb show clearly. A necktie is tied precisely around the collar of his specially-ordered button-down shirt with a very small collar (but the knot is not plain, it is a large

formal one), and he is also wearing his suit jacket. The engaging thing is the point that he is barefoot, holding his socks in one hand, but this also becomes an important prop.

The topics which Hashimoto likes to talk about at these "morning chats" are such "lofty" policy questions as the world economy and the outlook for domestic business conditions. What he dislikes is complicated talk about political disputes and power struggles.

Even if the headline: "Hashimoto Resolves to Run in LDP Presidential Election" appears in a newspaper and reporters assigned to Hashimoto try by this means and that to bombard him with questions, he gives a cold answer in a nasal voice: "Come now, stop asking me such things, won't you. Rather, it is the strong yen..."

If there are reporters who persist in spite of that, he begins to put on his socks without saying anything. In other words, it is the Hashimoto-style sign that "the chat is ended."

But he is not always unsociable. If his toddler grandson comes to the chat, Hashimoto shows love for him, saying: "Now be careful where you step;" and when he suddenly comes face to face in the entranceway with female reporters who were late for the chat, he says: "What happened? Did you oversleep?"

And Hashimoto's most important daily task of late, every morning before he gets into his black car, is to cast a scornful glance at the reporters, who enclose him in a wide circle, and lightly kiss his grandson's cheek, saying "Grandpa has to go now."

In any case, he is a feminist. Affairs with all sorts of women were rumored; but even so, the good quality of his relationship with his wife Kumiko (53), who says: "I must place trust in the fact that he continues to wear his ring," is a topic of conversation even in political circles; and he was always calling his daughter "princess" without embarrassment.

And in Hashimoto's case, to begin with, smug lines and a meaningful attitude are probably already part of his nature.

The same was true of his behavior at the Japan-U.S. auto negotiations in June. As soon as he was given a bamboo kendo sword by U.S. Trade Representative Kantor, he startled the U.S. press corps by placing the point of the sword against his throat in front of the television cameras.

Also, his closing line in the television interview immediately after the negotiations reached a compromise was also: "Pardon me for looking sleepy."

But once, when the former Takeshita faction to which he belonged broke up, and it turned into a family conflict, and those around him clamorously said: "It is a war between Ozawa and Kajiyama," on a certain night he also wept sentimentally before the press corps, and said: "Pardon me for crying."

Recruiting Followers and Ability in Implicit Communication, Which Do Not Fit "Aesthetics"

But compared to the way Hashimoto decides on smug lines, he is lacking in activity in political conflicts, which requires so-called political ingenuity and ability in implicit communication.

He also probably dislikes such things. Some time ago former LDP Vice President Shin Kanemaru, who was chairman of the former Takeshita faction, once explained "the proper way of a party president" to him by saying: "They say the boughs that bear most fruit must hang lowest. You must take care of young people;" but Hashimoto's response was curt. "That may be so, but for one thing, I do not want to be seen as having some underlying motive."

To put it in a good way, he is a diligent person and a headstrong "policy expert;" but to put it in a bad way, he is a "lone wolf" who dislikes compromise and has no followers.

From being chairman of the Research Commission on Public Administration and Finances, Hashimoto became minister for transport; the reason he displayed intense shrewdness in the division and privatization of the former Japan National Railways and received the nickname "minister of firings," is probably because it was Hashimoto's true self; and this time, in the case of the Japan-U.S. automobile negotiations, when it was said "Hashimoto is here," this is the judgment of professionals.

"The preparations were made by former prime minister Noboru Takeshita, who is influential in industry circles, and by former Secretary General Seiroku Kajiyama, boss of the international trade and commerce Zoku Diet members. Hashimoto merely danced on top of that," (LDP executive).

Originally, the "role" of Hashimoto and two other important executives was confirmed within the faction when the former Takeshita faction split and the former Obuchi faction was born. It was that "the leader of the faction will be Keizo Obuchi, its candidate for party president and prime minister will be Hashimoto, and the adviser will be Kajiyama."

The assessment of friends who knew best the character of the three was that the leader who would organize the

faction would be "character Obuchi," and the adviser who would direct political conflicts would be "strongman Kajiyama." What was expected of Hashimoto, who was lacking in those two aspects, was strictly his excellence as the "face" chosen to be president and prime minister.

Since he may finally become that "face," Hashimoto has been in rare good humor of late.

The beginning was a gathering of executives of the former Obuchi faction at a Tokyo hotel on 24 July, the day following the LDP defeat in the upper house election. It appears that, here, there arose a great chorus of criticism of President Yohei Kono, Secretary General Yoshiro Mori and other members of the current executive, saying: "Hashimoto is the type who will run if supported by everyone. He came to feel that way when confronted by the great cause that the party would be in danger if things went on as they were," (mainstay Diet member of the former Obuchi faction). It was such that Hashimoto, too, as soon as he left the meeting place with a cheerful expression on his face, quipped to the waiting press corps: "Gosh, I ended up getting drunk today. So much so that your faces look handsome." And on the following day, the 25th, when he was requested by Kono to remain as minister for International Trade and Industry, Hashimoto said: "It is reasonable to be requested by the prime minister; you have no right to say that to me!" The information that "Hashimoto will run" raced around political circles.

Obuchi Warns: "Do Not Destroy the Coalition"

Incidentally, this is not the first time there has been a "call for Hashimoto." Six years ago, when former Prime Minister Sosuke Uno resigned because of a woman scandal and a great defeat in an upper house election, Hashimoto's name came up as a successor.

It is believed that at that time, Ichiro Ozawa, who then was a rival in the former Takeshita faction, spread much talk about Hashimoto scandals with women; also, the former Takeshita faction gave up the idea of supporting its own candidate, so Hashimoto's candidacy did not become a reality.

But fate is a strange thing. The ones who are cautious regarding "Hashimoto running" this time are once again, former Prime Minister Takeshita and Vice President Obuchi, who are supposed to be Hashimoto's friends.

Obuchi had a confidential talk with Hashimoto on 31 July. The content of that talk is not yet clear, but according to a concerned person, Hashimoto pressed Obuchi, saying: "Won't you please allow me to run in the presidential election?" In reply Obuchi listed

conditions for supporting his candidacy. They are said to be the three points: 1) to obtain the consensus of the former Obuchi faction 2) that there be the prospect of winning the presidential election by an overwhelming margin and not produce a split in the party 3) that there not be anything which would destroy the framework of the tripartite coalition, such as defection of Sakigake or the Social Democratic Party of Japan [SDPJ].

Hashimoto, who is chairman of The Japan Association for the Bereaved Families of the War Dead, is more "hawkish" than Kono on such things as the question of visiting the Yasukuni Shrine, and opposition within the LDP to the revival of the former Takeshita faction, which was the power-faction, is deeply rooted.

Will not the Sakigake and the SDPJ turn away, or the LDP split up if Hashimoto rushes to forcibly capture the presidency? If that happened, there would be plenty of danger that Ozawa's New Frontier Party would embark on activities to split the fragile Murayama coalition government. Rather, it would be better if the LDP aims for a genuine government when it gets an independent majority; it is not unreasonable for Takeshita and Obuchi, whose natures are prudent to a fault, to be cautious.

Certainly, the crudeness of Michio Watanabe and the late Ichiro Nakagawa, who acquired power regardless of getting wounded or looking bad, does not get along well with Hashimoto's aesthetics.

Also at the time six years ago when Hashimoto gave up his attempt, in response to Ozawa, who devised the move to "crush Hashimoto," and defended himself by saying: "I never spread any scandal." Hashimoto calmly replied: "I would like to believe that," while puffing on a cigarette.

But this time, it seems that Hashimoto's enthusiasm is also different. Around him, estimation of the number of votes he will get and moves to collect signatures from Diet members have begun; and on the other hand, the opposing Kono-Mori camp has begun repeating moves of which none are in line with the wishes of the former Obuchi faction, such as carrying out a broad reshuffle of the cabinet, and requesting Hiroshi Mitsuzuka to be secretary general.

It is uncertain whether, if that happens, Hashimoto, who is "uncannily stubborn" (the words of his wife, Kumiko), will also now have no choice but to run at full speed.

In any case, former Prime Minister Takeshita, who knows Hashimoto best, recently said to a close acquaintance: "It appears that Hashimoto is already about 90 percent in the mood to run. I wanted him to somehow abandon the idea, but it may already be too late."

MOF To Cover FY93 Deficit by FY94 Surplus

OW2109144395 Tokyo KYODO in English
1416 GMT 21 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 21 KYODO — The Ministry of Finance [MOF] plans to cover the 566.3 billion yen deficit in the fiscal 1993 general account with part of the 607.6 billion yen surplus in the fiscal 1994, ministry sources said Thursday [21 September].

Under the law, more than 50 percent of the surplus in any year is required to be earmarked in the national debt consolidation fund to be used for redemption of government bonds.

But the ministry is concerned that the fiscal 1993 deficit — stemming from declining revenues in taxes — still remains and will tap the fiscal 1994 surplus under a special clause, the sources said.

The plan will be submitted to the Diet on Oct. 4 together with a second supplementary budget plan for fiscal 1995, they added.

Takemura Vows To Arrest Yen's Resurgence

OW2209041895 Tokyo KYODO in English
0256 GMT 22 Sep 95

[FBIS Transcribed Text] Tokyo, Sept. 22 KYODO — Finance Minister Masayoshi Takemura vowed Friday [22 September] that Japanese authorities will intervene strongly to arrest the yen's resurgence against the dollar.

At a news conference after a regular cabinet meeting, Takemura said, "We will fight firmly against foreign exchange movements deviating from economic fundamentals."

Early in the morning in Tokyo, the dollar dropped below 99 yen for the first time since Sept. 8, compared with its mid-101 yen level late Thursday.

The Bank of Japan apparently stepped into the market to prop up the dollar in the upper half of the 98 yen level, dealers said.

Takemura said recent foreign exchange fluctuations have reflected uncertainty over European currencies, which pushed up the German mark and the Swiss franc against the dollar, inducing buying of the yen against the U.S. currency.

He said he agreed with U.S. Treasury Secretary Robert Rubin that a strong dollar is desirable.

In currency markets both at home and abroad, there is no sense of disappointment over the government's new pump-priming package, released Wednesday, Takemura said.

Official Forecasts Hyogo Bank Takeover in Oct

*OW2109125195 Tokyo KYODO in English
1140 GMT 21 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 21 KYODO — A new bank will be set up in October to take over operations of failed Hyogo Bank early next year, a senior Finance Ministry official said Thursday [21 September].

Vice Finance Minister Kyosuke Shinozawa said at a news conference, "we plan to establish the new bank within October so it can take over Hyogo Bank's operations in January next year."

Kobe-based Hyogo Bank, the nation's top second-tier regional bank, went under Aug. 30 with nonperforming loans of 1.5 trillion yen, of which 790 billion yen are irrecoverable.

With more than 400 billion yen in grants from Deposit Insurance Corp. and more than 100 billion yen in subordinated loans from the Bank of Japan, the new bank is to write off over 10 years irrecoverable loans of 630 billion yen left after using Hyogo Bank capital worth 160 billion yen.

MOF May Set Up Body To Liquidate Bad Loans

*OW2109143795 Tokyo KYODO in English
1341 GMT 21 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 21 KYODO — The Finance Ministry plans to set up a special organization to dispose of bad loans troubling Japan's eight housing loan companies, ministry sources said Thursday [21 September].

The ministry also believes that most of the ailing housing lenders — saddled with a total of more than 8 trillion yen in nonperforming loans — should be liquidated, the sources told KYODO NEWS SERVICE.

The ministry plans to have founding banks of the companies waive all credits against them and shoulder additional financial burdens, they said.

In addition, all financial institutions involved, including founding banks, will share the cost of liquidation in proportion to the share of loans extended, the sources said.

The proposed organization is expected to buy bad loans from the eight companies on the basis of market value of collateral and sell them through financial markets, the sources said.

The organization will be funded by its bond issues, founding banks' investments and possibly public funds, they said.

The three-party ruling coalition has already asked the founding banks to come up with a proposal by next Thursday for disposing of the bad loans.

The founding banks, meanwhile, are expected to write off their losses from bad loan disposals in the business year ending next March 31, if possible.

Housing Lenders' Bad Loan Liquidation Discussed

*OW2109123295 Tokyo KYODO in English
1056 GMT 21 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 21 KYODO — A government panel basically agreed Thursday [21 September] on a conditional role of government for the disposal of ailing housing loan lenders, Finance Ministry officials said.

In principle, conflicting parties — founding banks of housing lenders and agricultural banks that extended massive loans to them during the "bubble" era — should fully discuss the matter, said the panel, according to the officials.

It is only if such discussion does not get anywhere that "public involvement" may become necessary, panelists were quoted as saying at meeting of the Financial System Research Council, an advisory body to the finance minister.

Japan's eight housing loan companies are saddled with a combined 8.4 trillion yen in nonperforming loans, of which 6.3 trillion yen were irrecoverable as of the end of June, according to the Finance Ministry.

They are on the brink of going under, with four of them suffering net liabilities in the year ended in March.

Agricultural banks claim founding banks should shoulder the huge cost of their liquidation.

But founding banks say all creditors should pay the cost in proportion to the share of loans extended, a scenario that would expose farm banks to the risk of bankruptcy as the bulk of loans to housing lenders are traced back to them.

Financial sources said agreement is emerging among parties concerned that the housing lenders will be eventually dissolved.

Some panelists said a third party can serve as an arbitrator to decide whether or not to dissolve the housing lenders or let them stay on business, if discussion among the parties comes to an deadlock, the officials said.

The panel agreed that a conclusion on these all issues should be reached this year, the ministry officials said.

Problems facing housing lenders will be addressed in the panel's interim report to be worked out next week as a means to dispose of banks' bad loans.

But specific ideas on housing lenders are unlikely to be included in the report, the panelists were quoted as saying.

Takemura, Matsushita Speak at Securities Meeting

*OW2109115995 Tokyo KYODO in English
1122 GMT 21 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 21 KYODO — Finance Minister Masayoshi Takemura on Thursday [21 September] stressed anew the need to impose restraints on certain ministry officials' stock trading following revelations of a stock scandal involving a former senior bureaucrat.

The ministry is considering restraints on investment in stocks by officials in a position to obtain related information, said Takemura at the securities industry's annual assembly sponsored by the Japan Securities Dealers Association and other organizations.

Also addressing the meeting as a guest speaker was Bank of Japan Governor Yasuo Matsushita, who said the central bank will carry out a policy of easy credit in combination with various efforts to promote structural changes in the Japanese economy to help achieve sustained growth of the nation's economy.

Referring to the failures of some financial institutions, Matsushita said the central bank will continue providing funds if necessary to wipe out concern about Japan's financial system and to stabilize it.

He also said the securities market needs to improve its functions through increased participation by issuers and investors because pending problems for the Japanese economy, such as structural changes in industry and bad loans, can be effectively dealt with by increasing the supply of risk capital and promoting the conversion of financial institutions' nonperforming assets into securities.

MITI Forecasts Special Steel Demand Rising

*OW2109123395 Tokyo KYODO in English
1058 GMT 21 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 21 KYODO — The Ministry of International Trade and Industry (MITI) forecast Thursday [21 September] that Japan's domestic and export demand for specialty steel this year will rise 8.6 percent from last year to 16.31 million tons, the second highest on record.

The existing record is 16.81 million tons set in 1991.

The ministry attributed the expected growth to an increase in specialty steel exports, especially to Southeast Asia, despite the yen's appreciation on the foreign exchange market, and strong domestic demand for the material in the April-July period.

But total domestic and export demand for specialty steel in the October-December period is likely to fall 1.7 percent from a year earlier to 3.96 million tons.

The expected decline reflects a decrease in domestic demand, MITI said.

MITI Plan for Micro-Organisms R&D Disclosed

*OW2209002095 Tokyo YOMIURI SHIMBUN
in Japanese 18 Sep 95 Evening Edition p 1*

[FBIS Translated Text] On 18 September, the Ministry of International Trade and Industry [MITI] disclosed a plan to store data on microorganisms useful in biotechnology research and development [R&D], so as to create a condition in which research institutes of companies and universities can freely use the data starting in fiscal 1996.

MITI plans to set up a facility called the "Culture Collection" in the Research Institute for Biotechnology under MITI to preserve specimens of, and information on, microorganisms. This plan aims at enabling companies to launch new ventures in biotechnology and universities to study the latest technology.

Although many microorganisms have such characteristics as an ability to disintegrate harmful substances, their structure and detailed ecology have not been studied sufficiently. Therefore, many of those organisms are not used industrially. By forming a study group, the Culture Collection will research the characteristics of such microorganisms and analyze their protein contents and structure of their DNA (deoxyribonucleic acid), which is the main component of the genes.

Moreover, the group will save data and microorganisms obtained through these operations so that companies and universities can use the data and also buy cultured microorganisms.

There have been high hopes for new technological developments in biotechnology. However, Japan lags behind western countries in the accumulation of information on microorganisms that can be a clue to research. For this reason, MITI has decided to promote the storing of basic data, and to support research and development at the private sector level.

MITI plans to build facilities and purchase equipment with allocations from the second supplementary budget,

and to start actual analytical and other operations in FY96.

Eto on Unit Price of FSX Mass Production

*OW2109101995 Tokyo ASAHI SHIMBUN
in Japanese 19 Sep 95 Morning Edition p 7*

[FBIS Translated Text] Seishiro Eto, director general of the Defense Agency [DA], held a news conference on 18 September at the Air Self Defense Force [ASDF] Hyakuri Base in Ibaraki Prefecture, where he conducted an inspection tour. In regard to the next-generation support fighters (FSX) — allocations for the mass production of which are to be included in the FY96 budget requests — Eto explained that the unit price for FSX planes was initially estimated around 12 billion yen but that mass production of the planes over a 12-year period would bring down the final price to 6 billion yen each. The DA director general said: "Following mass production, we estimate the average price for a single FSX plane at 8 billion yen." He thus indicated that the average price would drop considerably below the initial price.

Regarding a plan for the ASDF's aerial acrobat team, the "Blue Impulse," to use FSX planes, Eto disclosed that the planes would be procured around 2007 and that they would cost around 6 billion yen each by then.

According to the DA, its plans are to purchase 141 FSX planes in 12 years — nine of which will be used by the Blue Impulse team.

Firm Acquires French High-Tech Bearing Maker

*OW2209045695 Tokyo KYODO in English
0435 GMT 22 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 22 KYODO — Seiko Seiki Co., a machine tool maker, has acquired French high-technology bearing maker Societe de Mecanique Magnetique (S2M) through the purchase of an additional 65.9 percent equity stake for about 300 million yen, a Seiko spokesman said Friday [22 September].

The latest acquisition has brought the Japanese company's total stake in the French firm to 85.9 percent.

S2M, a subsidiary of the French rocket-engine maker Societe Europeenne de Propulsion (SEP), has supplied high-tech machines with revolving components for use in Ariane rockets and other machinery.

Seiko Instruments Inc., the parent company of Seiko Seiki, also acquired a 1.1 percent equity stake, making the combined equity stake of the Seiko group in the French firm 87 percent, he said.

S2M has developed rocket motors on the basis of its magnetic bearing technology.

This technology ensures that a shaft and bearing do not touch each other due to magnetic repulsion. As a result, the two parts do not produce any noise or friction heat even when they are revolving at ultrahigh speed. Such a device can work without lubricants and has a long life.

Seiko Seiki plans to take advantage of this technology to expand its manufacturing and marketing of semiconductor manufacturing machines for use in clean rooms, turbo compressors for delivery of oil and natural gas, vacuum pumps and high-speed spindles, the spokesman said.

Seiko Seiki entered an technological tie-up arrangement with S2M in 1984 by acquiring a 20 percent equity stake. S2M saw its pretax balance fall into the red in 1994.

Under these circumstances, the Seiko Group purchased a 67 percent equity stake held by Sep in S2M. Seiko Seiki chairman Sadao Moritomo became chairman of the board of S2M from Sept. 16, he added.

Growth of LCD Industry Anticipated

*952A0766A Tokyo NOMURA SEARCH in Japanese
July 1995 pp 36-39*

[Article by Hideki Wakabayashi, deputy researcher, Business Research Department, Nomura Research Institute]

[FBIS Translated Excerpt]

One of the Few Remaining Strategic Japanese Industries

The liquid crystal display (LCD) industry is only one-tenth of the size of the semiconductor industry and has not reached the 1 trillion yen mark. However, its strategic importance as an industry ranks highest within the electronics sector.

First, LCD's rank with semiconductors and batteries in being referred to as technological wonders in terms of light-weight, miniaturization, and portability, and the strategic ranking of the industry is decisive in determining techno-hegemony. Although it is a component, the LCD is a frontispiece of an end product, and it has a major impact on the commercial value of finished products. New products which were dependent on the LCD for their initial launchings begin with the electronic calculator and extended to notebook computers, LCD vu-cams, LCD projection TV's, car navigation systems, and portable telephones. The attractiveness of LCD products

as hardware has been enhanced by their superior space-saving feature and contribute significantly to the value-added feature of end products. It is truly a case where LCD's serve as a key to new-product development.

Second, LCD's represent one of the few growth industries within the electronics sector and possess the potential for maintaining growth in the future. LCD's have continued to grow in the face of the unprecedented Heisei era recession. They represented a mere 200 billion yen market in 1990, have grown to 1 trillion yen in 1995 and 1996, and are expected to reach 2 trillion yen in the year 2000.

Third, LCDI represents one of the few industries where Japan enjoys a predominant position in terms of international competitiveness. Of LCD's, especially thin-film transistors (TFT) (there are two types of LCD; i.e., TFT and super-twist nematic (STN)). Japanese manufacturers produce 95 percent of the worldwide share, and it is an industry where the Japanese can compete effectively even with a dollar trading at 70 to 80 yen. TFT's are active-type devices and provide display qualities equal to a cathode-ray tube. On the other hand, STN's are passive-type devices, wherein monochrome versions are widely used, but provide inferior display qualities.

South Korea, Taiwan, and the United States Are Exerting Joint Government-Industry Efforts

The high strategic significance of LCD's has caused South Korea, Taiwan, and the United States to move aggressively. The strategic motivations, strengths, and weaknesses displayed by the three nations vary, but there are no differences in the fact that they are all acting on a unified government-industry basis.

South Korean LCD makers include the Samsung and Hundai Groups which manufacture both STN and TFT LCD, South Korea Electronics which is a long-standing producer of STN LCD's, Orion which is affiliated with Toshiba in the production of STN LCD, and the LG Group which was an early producer of TFT LCD. Production in South Korea reached 15 billion yen in 1993 and about 25 billion yen in 1994, a level of only 1 or 2 percent of the worldwide market share. Even if peripheral industry production, such as materials and related equipment is included, the value is about 68 billion yen or about one-twentieth of that of Japan. However, both industry and government are in agreement in viewing LCD's (especially TFT LCD's) as the growth industry to follow semiconductors, and are aggressively moving to make capital investments and form technical alliances.

Such moves include Samsung Electronics which has surpassed Japan in the production of DRAM devices,

LG Electron, and Hundai Electronic Industries, and each is in the process of investing 30 to 40 billion yen in 1995 and 1996 in an effort to quickly surpass Japan by building plants each capable of producing 10-inch LCD's at the rate of 100,000 a month. South Korea still lacks experience in producing at such levels, but the potential is great in that they have already established semiconductor production technology which equals that of Japan. Already, each of the firms have the capability of producing 10-inch TFT at the monthly rate of 2,000, bringing them to the level achieved by medium-size Japanese makers in the 1991-1992 period.

The status of LCD production in Taiwan differs somewhat from the situation in South Korea. Rather than consider LCD's as a product representing a growth industry, Taiwan emphasizes the establishment of self-sufficiency in LCD's from the standpoint of a personal computer (PC)-manufacturing nation. Although some success has been achieved in producing prototype five-inch color TFT LCD's, Taiwan is still languishing at the level achieved by top-level Japanese makers in the latter half of the 1980's and lags Japan by seven to eight years.

In the area of STN LCD's, glass makers, plastic makers, and CRT makers have entered the industry through the formation of subsidiaries. On the other hand, institutions like ERSO, which equals the Electronics Research Center of the Institute of Industrial Technology in Japan, have recruited Taiwanese repatriate scientists from the United States and formed companies like Prime View International, and Unipac and have succeeded in producing prototype five-inch-class color TFT LCD's. Further, difficulties in procuring deliveries have inspired PC makers to perform studies envisioning entry into the LCD industry to enhance their component self-sufficiency levels.

On the other hand, the United States is challenging itself in the achievement of military-technology supremacy and has initiated moves to develop flat panel displays including LCD's. The project will be subsidized over a period of five years to the tune of \$587 million, with a goal of improving the current U.S. market share of 3 to 15 percent by the year 2000.

Difficulties in Transferring Technology Will Preserve Japanese Supremacy in This Century

Despite the expected intense efforts on the part of South Korea, Taiwan, and the United States in an attempt to overtake Japan, overseas makers will not pose much of a threat until the year 2000 with the exception of Samsung Electronics. The reason why it is believed that absolute Japanese superiority in LCD's will not be easily altered rests with the fact that Japan now

commands an overwhelming market share and the fact that the cell process which is one of the manufacturing phases is not easily transferable.

LCD panel display manufacturing phases include the preliminary stage, middle stage, and final stage. The cell stage (middle stage) which is peculiar to LCD panels and not a part of semiconductor manufacturing requires many years of technical development. Production equipment varies by LCD producer, and thus leads to delays in standardization and automation which makes technology transfer a difficult matter.

Realistically, despite plant evolution from first to second generation, improvements have been limited to the preliminary stage, while very few improvements have been made in the cell stage. This is because it is a phase where technology is concentrated and in which various firms involved do not wish to share technical know-how.

Another difficulty is that unlike semiconductors, the yield rate of the array process (preliminary stage) is not known until after the cell process (middle stage) and the assembly and installation process (final stage) is reached, when the panel is switched on and the display examined. In other words, even if preliminary stage technology were transferred, there is no way of ascertaining the yield rate. Accordingly, South Korea, Taiwan, and the United States will have far more difficulty in catching up with Japan than was the case with semiconductors.

No Risk of Reaching a Point of Structural Overproduction

Definite growth and profitability of TFT LCD's has caused Japanese makers to move aggressively in making capital investments, prompting some sources to fear an oversupply. In reality, because of competition with STN LCD's and inventory adjustments on the part of manufacturers such as Compaq, there was a time from the fall of 1994 to the first part of summer 1995 when TFT LCD's appeared to be in excess supply. However, that situation was brought about by incompatibility of panel size and a shift towards the use of color STN LCD's which fell in price; but in terms of LCD's as a whole, especially in the area of 10.4-inch color panels, a shortage continues and situations mentioned above are believed to have involved an adjustment of a temporary nature.

Further, even the drop in color TFT LCD's were not the result of excess supplies, but were the result of confidential commitments made with PC makers. Even if the capital investments of the recent one to two years should lead to excess supplies, that is a situation which

will manifest itself after 1997 and it would be in error to associate that eventuality with the current limited oversupply of TFT LCD's.

On the other hand, growth in the PC industry which consumes 60 percent of LCD production precludes any structural oversupply until 1998. Worldwide PC markets are expected to grow from the 35-million-unit rate in 1993 to a 45-to 50-million-unit rate in 1995 to the 65-to 70-million rate in the year 2000.

A Variety of Scenarios Can Be Visualized Concerning Midterm Demand Projections

The question is: What sort of supply and demand can we project beyond the year 2000? For purposes of this discussion we have visualized nine different scenarios [cases] at three different levels of supply and three different PC LCD usage levels.

Supply capacity is dependent on yield rates for LCD's and are visualized at 95-percent, 80-percent, and 60-percent levels for purposes of this discussion. A yield rate of 95 percent has been set as the goal for the best manufacturers. Achievement of such a high yield rate by industry as a whole would mean that manufacturing equipment would have reached a high level of automation and standardization and that it would be easy to transfer technology to overseas areas; but the probability that makers will reach that level is limited and stands at about 10 percent. A yield rate of 80 percent has been achieved by the best manufacturers and the probability of makers reaching that level is 60 percent. A yield rate of 60 percent reflects the current industry average and is considered the lowest level at which a maker can achieve profitability. The probability of makers falling into this category is about 30 percent.

On the other hand, demand will depend on the rate at which LCD's are installed on PC's and for purposes of this discussion we have visualized the 70-percent, 50 percent, and 30-percent levels. An installation rate of 70 percent would represent explosive demand levels and could not be satisfied under current production capabilities. Further, growth of demand to that level will require construction of new plants and the absolute condition that LCD unit prices fall to less than two times that of CRT's (or less than 20,000 yen). Such a price drop is somewhat difficult to visualize for the year 2000 and the probability is estimated at about 10 percent. A PC-LCD installation rate of 50 percent is a very achievable goal because it would represent an extension of current trends. The probability rate is seen as 50 percent. A PC-LCD installation rate of 30 percent is a solid rate currently prevailing in Japan and will persist if we witness a further expansion in the trend

towards CD-ROM PC's of the nonportable desk-top type.

History of Electronics Which Gives Birth to New Markets Based on Declining Prices

However, in projecting midterm changes in supply and demand, we must not lose sight of the fact that price declines in leading electronics devices have led to the creation of new markets. If production should climb to the point where an oversupply is created and price declines persist, the potential will increase for a displacement of the CRT market. Under such circumstances, the underlying market for PC LCD's will be about 70 million units. Further, if it becomes feasible to supply reasonably priced LCD's larger than 30 inches, we can visualize a wall-mounting TV market. Under such a development, LCD's could target the 200 million CRT market. Accordingly, regardless of any oversupply scenario, and even if the industry faces short-term periods of declining demand, such periods will be followed by the development of even larger markets and the high potential for shortages.

Such special characteristics of the electronics markets have been considered in formulating the following discussion of the scenarios discussed above. [passage omitted]

Two Trillion Yen Market Is Considered Attainable for the Year 2000

Now the question is: What is the outlook for the year 2000? A consensus visualizing the market for years 1995-1996 at one trillion yen is in the process of being solidified, but opinions on the market scale for five years from now in 2000 are divided.

The three views existing project a 30-percent growth rate which has prevailed for the past five years creating a 4 trillion yen market, a 2 trillion yen market as projected in the past, and a slowing in growth to a one-digit-percentage figure bringing a 1.5 trillion yen market. Each of these projections can be analyzed as follows:

Even if the 4 trillion yen scenario is accepted as an objective, it would be impossible to reach that figure from either a supply or demand facet. As a realistic matter, attaining such an objective would require that all of the potential demand of about 200 million units for displays be converted to LCDs. Such a situation would require that the price of color TFT LCD panels drop to a point where they are less than twice that of CRT displays, as stated earlier, a situation whose probability is not very high at the present time.

On the other hand, the 1.5 trillion yen scenario visualizes an expansion in demand that will be accompa-

nied by rapid price declines in panels and a slowing in market growth; but that projection is excessively pessimistic. Unlike DRAM's wherein value-added can be enhanced by increasing memory capacity for a given space from one megabytes to four megabytes, and on to 16 megabytes through microprocessing, human visual limitations concerning image recognition render it impossible to realize high value-added benefits through the process of enhancing image recognition capabilities; also we must be mindful of the fact that there are limitations to high-value-added benefits based on the expansion of panel size.

Based on the foregoing discussion, it is felt that a market projection of two trillion yen for fiscal year 2000 is appropriate in terms of past projections of high growth and the maintenance of Japan's competitive strength. However, unlike the days when the only prerequisite was to furiously strive for cost cuts under a goal such as "50,000 yen price for 1995" for notebook computers, the path from 1995 to 2000 will not allow for straight-line advances, and will require regular reevaluations to ascertain the supply and demand situation.

North Korea

South Accused of 'Aggravating' DMZ Situation

SK2209083695 *Pyongyang Korean Central
Broadcasting Network in Korean
1224 GMT 21 Sep 95*

[Commentary by Yun Pyong-son: "Only Death Is Awaiting the War Maniacs"]

[FBIS Translated Text] The South Korean puppets are conducting war exercises and military provocations against our Republic every day at a very serious level.

According to reports, on 19 September, the South Korean puppets deployed 90-mm recoilless guns at a military police outpost near the western front line in the DMZ [demilitarized zone] and assumed a firing position for a long time, aiming at civil policemen of our side. At the same time, a group of hundreds of puppet soldiers ran about in some 20 military vehicles at the eastern front line, extremely aggravating the situation in the DMZ.

Prior to this, on 15 and 16 September, the puppets fired some 450 shells at random in a direction of our areas adjacent to the DMZ in Paju County of Kyonggi Province and Chorwon County of South Korean side's Kangwon Province. All this has rapidly tensed the situation in the DMZ and around the Military Demarcation Line [MDL]

These military provocations by the South Korean puppets are deliberate and calculated maneuvers aimed at

driving the situation of the Korean peninsula to the brink of war.

As has already been reported, on 12 September, the South Korean puppets conducted war exercises aimed at infiltrating key areas of our side for a long time while dropping a large ranger corps from some 10 transport planes of the puppet army. The exercises were conducted in the skies above Sinchon County, Paju County, Kyonggi Province. At almost the same time, a mobile fleet exercise was held in the East Sea [Sea of Japan] and a war exercise was also held in Seoul.

Following these alarming exercises, the South Korean warmongers have recently intentionally aggravated the situation around the MDL in the DMZ. Their successive provocative maneuvers cannot be considered separate things.

In light of the South Korean puppets' behavior, there is every clear indication that they are awaiting an opportunity of lighting the fuse of war near the MDL. Why are the South Korean puppets heartening their war fever and extremely aggravating the situation these days? This is related to the critical circumstances faced by the South Korean puppets who have been driven into a corner and cannot maintain power.

As recognized by public opinion at home and abroad, the Kim Yong-sam ring were perked up with great expectations of the 27 June local elections, believing that they would win the elections without fail. With this firm belief, the puppets intended to lead the latter half of Kim Yong-sam's term of office without difficulties by having the ruling Democratic Liberal Party's [DLP] servants be elected to all positions of local governments. However, things went the other way round, and the DLP had a dismal failure in the elections.

In a commentary on the results of the local elections, a Korean newspaper in the United States wrote that the results of the local elections were a no-confidence vote on Kim Yong-sam's policy for a new ROK. It was no accident that the paper commented in such a way. The South Korean people's support to the DLP has been decreasing as days go by; no one would believe its policies. To make things worse, DLP lawmakers have continuously fought like dogs and have failed to reach party-level agreements on important political issues. As a result, the DLP is in a panic fear.

In regard to the 18 May [1980] Kwangju massacre, a disputed point in the South Korean political sector, even DLP lawmakers are openly expressing their opinion, which is incongruous with Kim Yong-sam's. For example, Yi Hwan-ui, a DLP lawmaker, said his opinion on the Kwangju incident differs from the party's and joined

the signature campaign demanding the revelation of the truth of the Kwangju massacre by signing the written petition on 16 September.

Meanwhile, the three opposition parties — the Democratic Party, the United Liberal Democrats, and the National Congress for New Politics — are strongly pressuring the DLP to revise the special law on the Kwangju incident during the ongoing National Assembly session, which is considered the last session of the 14th National Assembly, in order to punish the ringleaders of the 18 May massacre.

In particular, universities throughout South Korea, including Seoul National University, and various associations, such as the National Alliance for Democracy and Reunification, are carrying out a strong struggle demanding the punishment of the culprits involved in the Kwangju massacre, including Chon Tu-hwan and No Tae-u.

As shown above, the Kim Yong-sam ring has been extremely isolated and opposed by the South Korean people, and it is suffering from a serious power crisis. The South Korean puppets are trying to find a way out of the crisis in aggravating tensions and provoking a new war. This is a typical means the puppets have employed. However, they cannot warrant power security by such a means.

The South Korean people sentenced the civilian Kim Yong-sam regime to death long ago. The South Korean people are openly saying they have no expectation or hope from the civilian Kim Yong-sam regime. The aggravation of tensions and war exercise cannot be a means for traitor Kim Yong-sam to overcome the power crisis, and will only bring about the ruin of his group. The Kim Yong-sam ring should not act rashly and thoughtlessly.

We do not want war, nor are we afraid of war. The South Korean warmongers should clearly be aware that only corpses and deaths will be given to war maniacs.

South's Military 'Exercises' Denounced

*SK2209070795 Pyongyang KCNA in English
0446 GMT 22 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 22 (KCNA) — The South Korean puppets staged provocative, air war exercises for a preemptive attack on the northern half of the country in the skies above the west sea with the mobilization of warplanes of different types on Sept. 19 and 20, military sources said.

On Wednesday scores of fighters of the puppet air force were sent to the skies above the central and eastern

sectors of the front to have a striking drill for support to mechanized infantry units.

The number of warplanes involved in the two-day military exercises totaled more than 1,200 armed with automatic rifles into areas in the central and eastern sectors of the front and deployed about 30 105-mm and 106.7-mm guns in the western sector of the front.

Meanwhile, 105-mm and 106.7-mm artillery groups of the puppet army deployed in the western, central and eastern sectors of the front fired over 350 shells toward areas adjacent to the Demilitarized Zone. The puppet army soldiers took forward positions in the western sector of the front and fired more than 4,000 large-calibre machinegun and automatic rifle bullets, advancing towards the Military Demarcation Line with tanks running ahead of them.

The Kim Yong-sam group will face a stern punishment if they persistently try to drive the North-South relations to confrontation.

Kong No-myong's Comments Called 'Barefaced Lie'

*SK2209054295 Pyongyang KCNA in English
0510 GMT 22 Sep 95*

["Illogical, Brazen-Faced Allegation" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 22 (KCNA) — The South Korean puppet Foreign Minister, Kong No-myong, in a recent interview with a foreign newspaper reporter alleged that the North has failed to take any step for the improvement of inter-Korean relations and the signing of a peace agreement between North Korea and the United States would render the situation of the Korean peninsula strained.

NODONG SINMUN today says it goes without saying that his remarks are a barefaced lie aimed at slandering the North of Korea.

In a commentary the paper says:

It is not the North but the South that has taken no step for the improvement of inter-Korean relations.

For what they have done, the South Korean puppets have neither quality nor justification to slander the North over the issue. If they are truly willing to improve North-South relations, they must, first of all, apologize for the blackest crimes they committed against history and the nation and take steps to remove the infamous legal and institutional machines and the physical barrier which are standing in the way of the improvement of inter-Korean relations.

Due to the misbehavior of one of the signatories to the armistice agreement, it has left without any real meaning and the armistice supervisory machine, reduced to a mere name.

The armistice system cannot be restored, left with no other choice but to be replaced with a new system.

Under this situation, the Democratic People's Republic of Korea put forward a proposal for the replacement of the armistice agreement with a peace agreement between the DPRK and the United States and the establishment of a new peace mechanism and has taken some practical steps to this end.

Nevertheless, the South Korean puppets are persistently setting their face against the DPRK-U.S. peace agreement, arguing that it will enkindle the situation of the Korean peninsula. This reveals their sinister intention to keep the DPRK and the U.S. in the relationship of belligerence and stifle the DPRK at any cost with the help of the U.S. this also expose their moves to obstruct the peace and peaceful reunification of the peninsula.

If they hope for the peace of the country, they must help the DPRK and the U.S., the signatories to the armistice agreement, dispel the hostile relations and set up a new peace-keeping system through negotiations.

Groups Discuss 'Persecution' of Pak Yong-kil

*SK2209000995 Pyongyang KCNA in English
2208 GMT 21 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 21 (KCNA) — A joint meeting of political parties and public organisations of the DPRK was held here today.

The joint meeting focused on measures to denounce the South Korean rulers' vicious persecution of Mrs. Pak Yong-kil and to rescue her. She had visited Pyongyang to pay tribute to the bier of the great leader President Kim Il-song.

It was stressed at the meeting that the persecution of Pak Yong-kil is not only her own problem but a serious problem directly related to the DPRK, as she had been to the North to fulfil her moral obligation based on the intimacy between the president and Rev. Mun Ik-hwan and to convey the South Korean people's desire and will for reunification.

The meeting branded the South Korean rulers' persecution of Pak Yong-kil, a pro-reunification patriot, as a total denial of national reunification. It strongly urged the South Korean authorities to immediately release the old woman, over 70, who is in a critical condition for her heart disease.

The meeting demanded the South Korean authorities immediately abolish the "national security law," which defines fellow countrymen as "enemy" and the DPRK as the "anti-state organisation."

The meeting called on all people to join in the struggle for the removal of the legal and institutional mechanisms of South Korea standing in the way of national reconciliation, unity and reunification and for the release of the pro-reunification patriot.

A ten-member committee for rescuing Pak Yong-kil was formed at the joint meeting with presidium member of the Central Committee of the Democratic Front for the Reunification of the Fatherland, Yo Yon-ku, as chairwoman and the chairman of the Korean Religionist Council, Chang Chae-chol, as vice-chairman.

Adopted at the meeting was an appeal to the Koreans at home and abroad.

The appeal called upon all the compatriots in Asia, Europe, the Americas and Oceania to lift up voices denouncing the South Korean rulers' inhumane persecution of the patriotic champion of reunification.

It also called on the 70 million Koreans to take an active part in the struggle for rescuing Pak, "grandmother of reunification," thus demonstrating again the unshakable will of all the fellow countrymen for national reconciliation and unity and for the reunification of the country and inflicting a stern punishment on the Kim Yong-sam group.

PRC 'Friendship Visiting Group' Arrives

SK2109104695 Pyongyang KCNA in English
1031 GMT 21 Sep 95

[FBIS Transcribed Text] Pyongyang, September 21 (KCNA) — The first friendship visiting group of China arrived here today.

Visitor Cites Leadership in 'People's Paradise'

SK1809105795 Pyongyang KCNA in English
1008 GMT 18 Sep 95

["People's Paradise Developing Under Great Leadership" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 18 (KCNA) — "I, visiting the Democratic People's Republic of Korea, strongly felt that the country is a people's paradise developing under the great leadership," Sadakuni Takaya, general secretary of the Kyoto Japan-Korea society for scientific and cultural interchange, said.

Giving his impressions of Korea, he stressed that the people are enjoying everything in the capital city of

Pyongyang — the grand People's Study House standing in a grandiose style in the centre of the city, the People's Palace of Culture of national style built to suit modern aesthetic taste, the Ongnyu Restaurant on Taedong River and the Changgwang Health Complex and the Chongnyu Restaurant on Potong River, modern dwelling houses and pleasure parks and grounds here and there.

He said:

The people owe all of them to the state. This is the characteristics of Korean-style socialism, which can be found in no other country.

Korea is a tax-free country where the state takes care of all the people.

In this country all the people are making much efforts for society and the collective and for comrades while helping and leading forward each other as brothers.

During our stay Korea suffered damages from unexpected floods. But many planes and servicemen were mobilized in time and all of the inhabitants in the flood-afflicted areas were saved.

After all, this tells that Korean socialism is centred on man in every respect.

The Korean people are now advancing more dynamically to accomplish their cause under the wise leadership of His Excellency Kim Chong-il, true to the behests of the great leader President Kim Il-song.

His Excellency Kim Chong-il is the leader, who has fully inherited all the natural gifts of President Kim Il-song, and thinks and acts always for the people.

That is why the Korean people would say President Kim Il-song is immediately His Excellency Kim Chong-il and vice versa.

Party Leaders in Bangladesh Meet WPK Group

SK2109124195 Pyongyang Korean Central
Broadcasting Network in Korean
1100 GMT 18 Sep 95

[FBIS Translated Text] (Raser Kammenon), general secretary of the Bangladesh Workers Party Central Committee; (Billito Barwa), general secretary of the Bangladesh Communist Party-Marxist-Leninist Central Committee; and (Iru Malsen), chairman of the Bangladesh Worker-Peasant Socialist Party Central Committee, received separately on 12 and 14 September the Workers Party of Korea [WPK] delegation led by Kim Yang-kon, deputy director of a department of the WPK Central Committee.

In the meetings, the head of the WPK delegation conveyed greetings from the great leader Comrade Kim Chong-il to the leaders of these political parties. The leaders of the political parties expressed deep gratitude for this, and asked the head of the delegation to convey to the great leader Comrade Kim Chong-il their heartfelt greetings wishing him long life.

The general secretary of the Bangladesh Communist Party-Marxist-Leninist Central Committee noted: The fact that the great leader Comrade Kim Il-song developed Korea into a modern socialist country greatly encouraged the world's progressive people. The great leader Comrade Kim Il-song and the great leader Comrade Kim Chong-il, who stuck to socialism and strengthened and developed it, are the symbols all of us uphold in our struggle. We are convinced that because the great leader Comrade Kim Chong-il inherits the great leader's revolutionary cause, Korea's socialist cause will be completed brilliantly. Our party fully supports the principled position of the WPK regarding the independent and peaceful reunification of Korea and the nuclear issue on the Korean peninsula.

The chairman of the Bangladesh Worker-Peasant Socialist Party Central Committee noted that the *chuche* idea is a scientific revolutionary ideology. He stressed that his party will deeply learn the truthfulness and scientific nature of the *chuche* idea and embody the *chuche* idea in the party's activities.

The general secretary of the Bangladesh Workers Party Central Committee noted that the history of the WPK is a glorious history engraved with shining victories in socialist revolution and construction and stressed that he warmly congratulates the 50th anniversary of the founding of the WPK.

Indian Communist Leader Receives WPK Group

*SK2109130595 Pyongyang Korean Central Broadcasting Network in Korean
1100 GMT 18 Sep 95*

[FBIS Translated Text] H.S. Surjeet, general secretary of the Communist Party of India-Marxist Central Committee, received on 15 September the Workers Party of Korea [WPK] delegation led by Kim Yang-kon, a deputy director of a department of the WPK Central Committee.

In the meeting, the general secretary said that he and the Communist Party of India-Marxist Central Committee wish the great leader Comrade Kim Chong-il long life and good health so that he will lead the WPK and the Korean people to continuous victories, adding that he sends heartfelt greetings to him.

Expressing his reverence for the great leader Comrade Kim Il-song, the general secretary said: Even after socialism collapsed in the Soviet Union and in the East European countries, the WPK waged the struggle to adhere to socialism and maintain independence under the wise leadership of the great leader Comrade Kim Chong-il and is attaining victories repelling all sorts of maneuvers of the imperialists, including the U.S. imperialists.

The passing of the great leader Comrade Kim Il-song was the greatest loss not only to the Korean people but to the communists of the entire world as well. Because they uphold the great leader Comrade Kim Chong-il, the WPK and the Korean people are brilliantly inheriting and completing the revolutionary cause pioneered by the great leader.

Foreign Leaders Send Greetings to Kim Chong-il

*SK2209060395 Pyongyang KCNA in English
0423 GMT 22 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 22 (KCNA) — The great leader Comrade Kim Chong-il received messages of greetings from foreign heads of state and government and party leaders on the occasion of the 47th anniversary of the Democratic People's Republic of Korea.

Messages came from Seychellois President France Albert Rene, Venezuelan President Rafael Caldera, Icelandic President Vigdis Finnbogadottir, Congolese President Pascal Lissouba, Kenyan President Daniel T. Arap Moi, Nicaraguan President Violeta Barrios De Chamorro, President of the Mozambique Liberation Front Party and President of Mozambique Joaquim Alberto Chissano, Niger President Mahamane Ousmane, Benin President Nicephore Soglo, Chairman of the Armed Forces Transitional Ruling Council and Head of State of Gambia Yahya A.J.J. Jammeh, Jamaican Prime Minister P. J. Patterson, Djibouti Prime Minister Barkat Gourad Hamadou who is acting president, Grenadian Prime Minister Keith Mitchell, General Secretary of the Lumumba Democratic Party of Zaire Ngoy Nduba, acting leader of the February 18th Movement of Trinidad and Tobago Vincent Cabrera and National Chairman of the National Movement of the Genuine Lumumbist Combatants of Zaire Otete Gaston Mboyo.

Messages extend warm congratulations to Comrade Kim Chong-il on the national day and wish him a long life in good health.

Messages express the belief that friendly and cooperative relations between their countries and the DPRK and between their parties and the Workers' Party of Korea will further strengthen and develop.

Kim Chong-il Called 'World Revolution' Leader

*SK1909152695 Pyongyang KCNA in English
1519 GMT 19 Sep 95*

["Comrade Kim Chong-il Is Recognized Leader of World Revolution" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 19 (KCNA) — The great leader Comrade Kim Chong-il finds all his honor, happiness, joy and delight only in the people's happiness, said Pekka Rantala, chairman of the Finnish National Committee for the Study of the Chuche Idea.

In an interview with KCNA before his departure from Korea, he referred to the unbounded humbleness of Comrade Kim Chong-il:

Visiting Korea on several occasions, I was moved by the unbounded humbleness of the great leader Comrade Kim Chong-il and came to have a deep worship and reverence for him.

As all people admit unanimously, Comrade Kim Chong-il has, from long ago, been well known as a recognized leader of the Korean and world revolution for the great exploits he performed for the time and humankind and his lofty personality.

But he always dissuades the people from expressing their absolute trust in and praise of him, regarding himself as a soldier of the great leader President Kim Il-song and as a son of the people.

He said his lifelong mission is to carry forward to completion the revolutionary cause of chuche pioneered by President Kim Il-song, and has always found himself among the people, visiting construction sites and rural villages even on his birthday.

People wish that he would take a rest on his birthday. But he deems it their trust in him.

Indeed, he is a great leader, a genuine person produced by humankind.

He has performed immortal feats which could not be done by any other thinker, philosopher and practitioner.

He is the supreme incarnation of ethics and morality and a creator of communist virtues, who devotes his all to the people, regarding them as a teacher.

No great man in the world could match in personality the great Comrade Kim Chong-il revered by all people, Pekka Rantala said.

Talk Extols Kim Chong-il's Wise Leadership

*SK2109031395 Pyongyang Radio Pyongyang
in Korean to South Korea 0340 GMT 9 Sep 95*

[Unattributed talk: "The Respected and Beloved General Kim Chong-il Is a Great Leader Who Adds Luster to the Dignity and Honor of Our Republic"]

[FBIS Translated Text] Today our Korean people significantly observe the 47th anniversary of the founding of the DPRK, the glorious fatherland founded by the great leader [widaehan suryong] and led by the great leader [widaehan yongdoja] Comrade Kim Chong-il.

Our republic, which has traversed the proud road of victory and glory for the past 47 years since its founding, is infinitely growing and prospering today as the banner of our people's freedom, independence, and happiness, and is giving off resplendent rays as the fortress of the socialism of the world.

Our republic is displaying its high prestige to the entire world today as a dignified independent and sovereign state which no one dares to provoke because it has the wise leadership of the respected and beloved General Kim Chong-il, who brilliantly inherits and develops the great leader's chuche state building cause.

The great leader Comrade Kim Il-song taught: Under the leadership of Comrade Kim Chong-il, our people have come to have the pride and self-respect of victors and to display its high honor and dignity to the entire world.

Our people's honor and dignity displayed to the world are unthinkable apart from the dignity and honor of our republic. Our people's dignity and honor are the dignity and honor of our republic. The history of our republic, which shines with high dignity and honor, is the history of the energetic painstaking efforts and outstanding tested leadership of the great leader [widaehan suryongnim] and the great leader [widaehan yongdoja] Comrade Kim Chong-il to defend the dignity of our fatherland and nation to achieve the growth and prosperity of the republic.

The dignity and honor of our republic which the great leader defended and added luster to devoting all his energetic painstaking efforts throughout his life are displayed more highly by the extraordinary audacity and wise leadership of the respected and beloved General Kim Chong-il. The wisdom of the leadership of the respected and beloved General Kim Chong-il infinitely adding luster to the dignity and honor of our republic lies in the fact that he exercised his leadership so that our party and the government of the republic can firmly maintain an independent line in politics without yielding

to any pressure and stifling maneuvers [amnyokkwa chilsik chaektong].

Independent politics is the main factor which defines the country's independence and the nation's prosperity. History shows that no country, however large it may be, can defend the dignity of the country and the nation if it loses independence politically. The right of independence and dignity of the country and the nation is ensured only by independent politics.

Thanks to the independent politics of the great leader Comrade Kim Chong-il, who treasures the dignity of the country and the nation more than life and always maintains the fixed principle of the nation courageously, the dignity of our nation shines and the right of independence of the Republic is defended.

When the imperialists and the South Korean puppets threatened our republic with the Team Spirit joint military exercise aimed at northward invasion several years ago, the great leader Comrade Kim Chong-il resolutely countered it with the declaration of a semiwar state. When the imperialists waged the special inspection maneuvers under the pretext of the fictitious nuclear suspicion, we were able to firmly defend the dignity of the republic by the withdrawal from the Nuclear Nonproliferation Treaty. This was far from possible without the audacity, the firmness of character, and the resolute independent politics of the respected and beloved general.

Because we are blessed with the outstanding leadership of the respected and beloved General Kim Chong-il who exercises his scientific insight into the prevailing situation and the demands of our revolution and implements independent politics with his brilliant wisdom and strategy of adapting to the circumstances, our party and the government of the republic never allow the imperialists to commit interference and high-handedness, but win the confrontation with them again and again, and firmly defend the nation's dignity.

Truly, our republic is known broadly to the world as a strong state of politics, highly displaying the country's right of independence and the nation's dignity thanks to the great leader Comrade Kim Chong-il, a great master of independent politics.

The wisdom of the leadership of the great Comrade Kim Chong-il, who adds luster to the honor and dignity of our republic, lies in the fact that he built a strong socialist state to the amazement of the people of the world by unfolding a new heyday of the revolution and construction, strengthening the main force of the revolution under the banner of ideological work.

The right of independence and dignity of a country is based on the strength of the state. When a country has an invincible might in ideology, spirit, economy, and military, the country and the nation can fully exercise their right of independence and display their dignity and honor.

The might of a country cannot be strengthened automatically, but it is importantly connected with the leader's leadership ability and competence. The leadership ability of the leader who leads the revolution and construction and solidifies the country's might is demonstrated by the ability and capability of having the popular masses display their creativity. Comrade Kim Chong-il, the great leader of our party and people, is vigorously pushing forward the revolution and construction, trusting and arousing the capacity of our people.

The respected and beloved General Kim Chong-il, who has put forth an ideological theory that man's ideology determines everything, gave priority to ideological work and armed the popular masses firmly with socialist ideology, the *chuche* idea. At the same time, he rallied them organizationally around the party and the leader and turned them into the main force of the revolution.

Because the popular masses—who are awakened ideologically, accepting the *chuche* idea, the most scientific and revolutionary ideology, as the blood and flesh of their life and as the guiding principle of action—were united wholeheartedly with the party and the leader, a strong main force of the revolution was formed in our country. The great leader Comrade Kim Chong-il skillfully led our working class and working popular masses—who were determined to devote all their loyalty and filial duty to the party and the leader with high self-awareness befitting the masters of the revolution—with his extraordinary organizational ability and outstanding revolutionary restraint ability. By so doing, he brought forth a new upturn in all fields of the revolution and construction and built our republic to be a mighty, strong, growing, prosperous socialist state.

Under the wise leadership of the respected and beloved general, our republic has achieved the wholehearted unity of the leader, the party, and the masses and has become a mighty country with the solid socio-political basis. There are many countries in the world, but our country is the only great strong country which stands on a firm foundation unshakable by any fierce wind, which is most stable politically, and which is firm ideologically.

Our people appreciate with great pride and happiness living and acting in the country where political stability is firmly ensured even in the complicated historical whirlwind witnessed today and in the strong ideological

state where the people-oriented chuche idea is in full bloom.

Our republic is the mighty country with the strong economy and defense capability of its own which does not rely on others or made little of by others but lives with dignity for itself. Our self-reliant socialist economy, which is rapidly progressing according to the plan on the self-reliant basis, guarantees the country's political independence and brings true prosperity and happiness to the working popular masses.

Our revolutionary Armed Forces, which have grown to be the militant ranks of loyalty firmly prepared politically, ideologically, and in terms of military technology and to be an invincible strong Army capable of defeating any aggressors at a stroke, are firmly defending the dignity of the country and the nation as dependable defender of the republic.

Under the energetic leadership of the great General Kim Chong-il, revolution has been brought forth in socialist culture-building in the fields including those of science, education, literature, and art, and our republic is greeting a great heyday in the cultural field as well.

Truly, our republic is a great strong state which shines with chuche, which has become dignified with independence, which has become mighty with self-reliance, and which is ever-victorious with self-reliant national defense.

There has never been a time in our 5,000 year-long history when our republic occupied such a proud position on the international arena, displayed its dignity so much, was so rich and strong, and was so prosperous as it does today.

The high dignity and honor our republic enjoys today is the noble fruition brought forth by the outstanding and tested leadership of Comrade Kim Chong-il, the great leader of our party and people.

The future of our republic is bright, and the victory of the cause of chuche is certain. Under the leadership of the respected and beloved general Kim Chong-il, our republic will win victory after victory in the 21st century as well as it does today, displaying even higher dignity and honor.

South Hwanghae Meeting Initiates Letter Relay

SK2109133595 Pyongyang Korean Central Television Network in Korean 1100 GMT 21 Sep 95

[FBIS Translated Text] On the 50th anniversary of the founding of the glorious Workers Party of Korea, a meeting has been held to mark the start of relays by the relay group carrying a letter of loyalty addressed

from the people living in South Hwanghae Province to the great leader [yongdoja] Comrade Kim Chong-il.

Read at the meeting amid enthusiastic applause was a letter of loyalty containing the burning pledge of the people of South Hwanghae Province to complete the chuche revolutionary cause to the end with the endless honor of having the great leader [yongdoja] Comrade Kim Chong-il at the head of our party and the revolution, and with boundless feelings of deep reverence for the great leader [suryong].

Following this, the members of the loyalty letter-carrying relay group, who are assigned to courteously carry the letter, started off to Pyongyang, upholding the banners of the portraits of the great leader Comrade Kim Il-song and the great leader [yongdoja] Comrade Kim Chong-il. They were warmly sent off by the participants.

Foreign Groups Visit Kim Il-song Statue

SK2109061795 Pyongyang KCNA in English 0438 GMT 21 Sep 95

[FBIS Transcribed Text] Pyongyang, September 21 (KCNA) — A friendship visiting group of the Chinese People's Liberation Army led by Lieut. General Zhang Gong, political commissar of the Academy of Military Science, a delegation of the Japan-Korea Cultural Interchange Association led by its Chief Director Ryoso Hayashi and a delegation of the Japan Teachers' Union led by its Vice-President Hiroshi Morioka visited the statue of the great leader President Kim Il-song on Mansu Hill on September 19 and 20.

They laid baskets of flowers and made a deep bow before the statue.

Zhang Gong said that President Kim Il-song was the great leader of the Korean people and a close friend of the Chinese people. "Though the president passed away he is always with the people," he stressed.

Ryoso Hayashi said: "The visit to the statue of President Kim Il-song carries me back to the day when I was received by him. He was a great man."

On the same days, military attache of the Zimbabwean Embassy in Korea Zinyemba, senior associate of the U.S. Carnegie Endowment for International Peace Selig Harrison, a delegation of the Association of Researchers in Social Sciences of Thailand, and newly-appointed Rwandan Ambassador to Korea Rugabi Silas laid bouquets and made a bow before the statue of President Kim Il-song.

Foreign Visitors Visit Kumsusan Memorial Palace*SK2209051595 Pyongyang KCNA in English
0438 GMT 22 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 22 (KCNA) — Foreign guests visited Kumsusan Memorial Palace in which the great leader President Kim Il-song is preserved in state on Thursday.

Among them were a friendship visiting group of the Chinese People's Liberation Army led by Lieut. General Zhang Gong, political commissar of the Academy of Military Science, director general of the International Institute of the Chuche Idea Shuhachi Inoue, a delegation of the Japan-Korea Cultural Interchange Association led by its Chief Director Ryoso Hayashi, a delegation of the Association of Researchers in Social Sciences of Thailand led by its Chairman Rachaniwan Vechaphurt, a delegation of the XINHUA News Agency of China led by its Vice-President Nan Zhengzhong, senior associate of the U.S. Carnegie Endowment for International Peace Selig Harrison, the newly-appointed Egyptian Ambassador to Korea and Military Attache of the Zimbabwean Embassy in Korea Zinyemba.

The visitors expressed reverence before the statue of President Kim Il-song and made deep bows to the president, who is preserved in state.

They made entries in the visitor's book.

SPA Deputy Yi Chin-kyu Dies 21 Sep*SK2209055395 Pyongyang KCNA in English
0454 GMT 22 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 22 (KCNA) — Yi Chin-kyu, deputy to the Supreme People's Assembly (SPA) of the Democratic People's Republic of Korea and first vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), died from a disease at the age of 77 on September 21, 1995.

The Central People's Committee of the DPRK and the Central Committee of the Democratic Front for the Reunification of the Fatherland published an obituary in this regard on Thursday.

Yi Chin-kyu was an elder of Chongnyon and a steadfast veteran revolutionary, who thoroughly established the ideological and leadership systems of chuche, remained unfailingly loyal to the great leader President Kim Il-song and the great leader General Kim Chong-il and made unremitting efforts to strengthen and develop the movement of Koreans in Japan to the last moments of his life.

He was born into a poor peasant's family in Yongin County, Kyonggi Province, on December 20, 1917 and went to Japan in 1939 where he lived under all manner of national humiliation and maltreatment till Korea was liberated.

In the post-liberation days Yi Chin-kyu energetically waged the patriotic struggle of Koreans in Japan for the sovereignty of the nation and took an active part in the formation of Chongnyon, an organisation of overseas citizens of the DPRK.

He worked as director of Education Department of the Chongnyon Central Committee from May 25, 1955 to May 1961, vice-president and then president of Korean University from June 1961 to December 1972, vice-chairman of the Chongnyon Central Standing Committee from January 1973 and first vice-chairman of the Chongnyon Central Standing Committee from May 1983.

He was a deputy to the Supreme People's Assembly of the DPRK from November 1967.

He was a two-time holder of the Order of Kim Il-song and a holder of the Kim Il-song Prize, the commendation from Comrade Kim Chong-il, the title of labour hero of the Republic, the National Reunification Prize, the Order of National Flag First Class and many other orders as well as the professorship of the DPRK.

MINJU CHOSON Stresses 'Fighting Ethos'*SK2109115295 Pyongyang MINJU CHOSON
in Korean 25 Jul 95 p 1*

[Editorial: "Let Us Make the Whole Society Overflow With the Working Class' Fighting Ethos"]

[FBIS Translated Text] Today our party demands that the working class' struggle ethos is thoroughly established in the whole society in conformity with the demands of the reality in which the struggle to resolutely safeguard and defend the cause of socialism and to victoriously advance it is being further enhanced. All fields and units should vigorously push ahead with the work of establishing the working class' struggle ethos so that the whole society seethes with a revolutionary zeal and militant mettle.

The great leader [yongdoja] Comrade Kim Chong-il has indicated: "It is the working class who takes the lead among the people amid any difficult circumstances. The working class is the core unit of the popular masses."

Our working class is the leading class of the revolution. It is the core unit of the revolution which shoulders the cause of modeling the whole society after the chuche idea. Our working class, as the most advanced class in

our society, has actively struggled for the victory of the revolutionary cause. On this process our working class has fully demonstrated its organizational spirit, capacity for united action, revolutionary spirit, and sacrificial spirit.

Our working class' struggle ethos displayed in various historic stages of the revolution was a spirit of loyalty to trust and follow only the respected and beloved leader Comrade Kim Il-song and the great leader [yongdoja] Comrade Kim Chong-il and to resolutely safeguard and implement the lines and policies set forth by the party and the leader [suryong]. It was also an indomitable spirit of surmounting all difficulties and trials with its own strength, as well as a collectivist spirit of constantly achieving a new victory by pooling the working class' strength and wisdom without the slightest degree of stagnation and stalemate.

Adding luster to such an indomitable struggle ethos constitutes not only the due duty of new generations who have inherited the lineage of our heroic people, but also a noble work to adhere to and defend the old generations' struggle achievements.

Establishing the working class' struggle ethos in the whole society is an important requirement for strengthening the main force of the revolution and for building the socialist revolutionary base into an impregnable fortress.

A socialist society is a society in which the working class' inherent demand has been embodied. The course of its development is the course of reforming society in conformity with the demands of the working class, the core force of the revolution.

Only when the working class' struggle ethos is established in the whole society can we not only make people communist human beings by making them revolutionary and assimilating them into the working class, but also more firmly strengthen the revolutionary forces in conformity with the demands of the developing realities by cultivating among them the revolutionary spirit of devoting their all to the party, the leader [suryong], the fatherland, and the people. Thus, we can lead the whole society to seethe with the working class' revolutionary spirit and sound life ethos and further glorify the superiority of the popular mass-centered socialism of our own style.

Establishing the working class' struggle ethos in the whole society is an important guarantee for effecting a great upsurge in socialist construction and for achieving our country's enrichment and development.

Making a continuing forward movement and a continuing innovation with indomitable fighting spirit, zeal,

and mettle is precisely the inherent revolutionary spirit and struggle ethos of our working class.

By staunchly fighting with such a struggle ethos our working class has glorified the entire course of socialist construction with creation and exploits and fully demonstrated the revolutionary spirit and heroic spirit of the Korean working class. When the whole society is filled with the working class' struggle ethos we can inherit the tradition of great upsurge, lead all socialist construction sites to seethe with the mettle of innovations. Thus, we can strengthen the country's might and build a firm foundation for the country's eternal prosperity.

The revolution constantly continues. The imperialists' maneuvers to obliterate socialism of our own style have become more unscrupulous than ever before. However, the imperialists and reactionaries cannot block the advance of our people who live and work with the working class' struggle spirit and ethos.

Making efforts to cope with the imperialists' maneuvers with a revolutionary spirit and to achieve a new victory through struggle is precisely our working class' invariable faith and will. Functionaries and the working people should cherish in their hearts such faith and will and display higher their revolutionary spirit and indomitable struggle spirit.

What is more important than anything else in leading the whole society to overflow with the working class' struggle ethos is for functionaries and the working people to display higher their loyalty to the leader [yongdoja] of the revolution.

Loyalty to the party and the leader [suryong] is the most fundamental trait of the working class. It is also a sincere and genuine loyalty which has been cherished and highly displayed by the working class through its practical struggle.

The history of our working class' revolutionary struggle has been very brilliant, and our working class stands at the forefront of the times as the vanguard class of the revolution. This is because it takes loyalty as the foundation of its life.

Functionaries and the working people should cherish deep in their hearts the great glory of being the great leader's [suryong] fighters and should uphold and resolutely defend the great leader Comrade Kim Chong-il with an invariable, single heart of loyalty and filial piety no matter how the situation may be complicated and difficult, as the heroic working class who shared the destiny with the party during the days of formidable revolutionary struggle did.

Functionaries and the working people should deeply master the immortal achievements that the great leader Comrade Kim Chong-il has registered in the course of leading the revolution and construction to victory and the wisdom of his leadership and should firmly rally around the respected and beloved leader Comrade Kim Chong-il again and again. Thus, they should faithfully uphold our party with absolute faith and sense of obligation and without the slightest degree of a selfish motive and hypocrisy. At the same time, they should safeguard and defend the great leader Comrade Kim Chong-il's high dignity by all means and should consistently advance along the road of the revolution with the firm faith in victory and iron-like will that as long as the respected and beloved leader Comrade Kim Chong-il is us we will be victorious.

The basic yardstick of loyalty to the leader [yongdoja] lies in how to accept and implement the lines and policies set forth by the leader [suryong].

Functionaries and the working people should firmly grasp the great leader Comrade Kim Chong-il's ideology and theory as the eternal lifeline of our party and the revolution and should thus thoroughly establish the revolutionary ethos of thinking and acting only according to the party's ideological will under all circumstances.

Functionaries and the working people should devote their wisdom and energies to solving the problems intended by the party under the slogan, "What the Party Decides We Will Do" and, thus, should highly demonstrate infinite devotion and heroism in implementing the party's policy.

In particular, by following the example of the working class who heroically struggled to resolutely defend and implement the party's line and policy in the postwar rehabilitation period and the socialist construction period, functionaries and the working people should also vigorously rise up in the implementation of the party Central Committee's slogans. Thus, they should create constant, new exploits in the march movement to realize the party's revolutionary economic strategy and to add luster to socialism of our own style.

By doing this, they can outstandingly realize the party's plans in the overall field of socialist construction and infinitely glorify our fatherland together with the revered names of the great leader [suryong] and the great leader [yongdoja].

What is important in leading the whole society to seethe with the working class' struggle ethos is also for functionaries and the working people to display their indomitable revolutionary spirit.

The history of our people's struggle is a history of uncompromising struggle against all sorts of enemies, and standing at the head of this majestic struggle is our heroic working class. Our working class' struggle spirit dwells in all great monumental creatures. Their struggle spirit is precisely an example that our people should inherit generation after generation.

In the period of the postwar great upsurge of Chollima our working class bravely surmounted all sorts of barriers and difficulties with their own strength and with firm faith and optimism in the future even under the difficult conditions of having to create a new life on an empty land. They did all works responsibly and creatively, standing on the firm position of being the masters of the revolution and construction. They made a continuing forward movement and a continuing innovation. Thus, they unfolded a new era of great creation and change on this land.

Since then, the revolution has advanced far. However, the working class' struggle spirit and ethos have never changed and cannot change.

For the present generations who enjoys happiness thanks to the blood and sweat shed by old generations to embody their struggle ethos is indeed honorable for the eternal prosperity of the fatherland.

Functionaries and the working people should surmount any difficulties and should not be proud of their victory. But, they should follow the example of the indomitable revolutionary spirit of the working class who have responsibly displayed it and should embody it in their practical activities.

Functionaries and the working people should vigorously struggle to effect a constant upsurge in socialist construction with the spirit and mettle displayed by the working class of Kangson who achieved a new upsurge through the grand march of Chollima in the postwar period. Functionaries and the working people should actively research and mobilize all reserves and potential by displaying the revolutionary spirit of self-reliance and should actively make efforts to perform their assigned revolutionary tasks without fail.

In particular, functionaries at local government organs should manage the county's economic activity with their own strength and make active efforts to promote the people's standard of living. They should also further step up their march movement by mobilizing the masses' creative power.

What is also important in leading the whole society to seethe with the working class' struggle ethos is for functionaries and the working people to display their collectivist spirit.

The working class struggles to realize the popular masses' independent demands and interests more resolutely than any other classes and finds the value and happiness of their life from their devoted struggle for society and collectives. Herein lies the lofty ethos of the working class.

Functionaries and the working people should live and work with the firm determination and will to devote their lives to society and collectives and with the spirit of the slogan, "One for all and all for one." They should love and treasure collectives and comrades and should share their destinies with comrades, regarding others' work as their own work. Thus, they should sincerely help and lead comrades. They should also devote themselves to others without seeking their individual comfort and interests. They should take the lead in performing difficult and arduous tasks, sincerely participate in communal labor, and stand at the forefront of innovation. Thus, they should see to it that the noble ethos of helping and leading each other fully flourishes and the flames of collectivist innovations blaze furiously in the whole society.

To lead the whole society to seethe with the working class' struggle ethos, it is important to plan and coordinate organizational and political work.

All sectors and all units should substantially wage political work in various forms and methods in conformity with the demands of the developing reality by upholding the great leader Comrade Kim Chong-il's immortal classical work, "Giving Priority to Ideological Work Is an Indispensable Demand in the Accomplishment of the Cause of Socialism." In this way, they should awaken the masses ideologically and should thus lead them to actively rise up in today's rewarding struggle to defend and add luster to socialism.

The function of ideological and cultural indoctrination is one of the basic functions of a socialist country. Organs of the people's government should consistently push ahead with the work of arming people with socialist ideology and of enhancing the masses' revolutionary zeal and creative positiveness. They should also establish a socialist management order and, thus, should lead everyone to abide by the state's regulations and laws voluntarily. At the same time, organs of the people's government should actively introduce and generalize the positive examples created in following and emulating the working class' struggle ethos and should see to it that the positive examples display great vitality in production and construction and in economic activities.

All sectors and all units should actively push ahead with the work of embodying the working class' struggle ethos in their practical activities. Thus, they should lead the

whole society to seethe with a revolutionary mettle and advance the cause of socialism with vitality.

Editorial Stresses Role of Working Class

952C0173A *Pyongyang NODONG SINMUN*
in Korean 12 Jun 95 p 1

[Editorial: "Let Us Emulate the Revolutionary Ethos of the Working Class"]

[FBIS Translated Text] The whole country is now seething with the surging fervor of party members and the working people who have launched vigorously into a struggle to carry through the slogans of the party Central Committee marking the 50th anniversary of the party's founding. To further accelerate today's general march today to make our country, our fatherland, richer and stronger and add luster to the Workers' Party era, which is now at its peak, all members of society should emulate the revolutionary ethos of our working class and live and work as they do.

The great leader [yongdoja] Comrade Kim Chong-il pointed out:

"The working class is the most revolutionary class our party relies on as the leading class in the revolution."

The working class is the most progressive and revolutionary class. No class is more revolutionary than the working class, whose historic mission is to build socialism/communism, the ideal of mankind. Whether the working class party can advance the socialist cause victoriously through all ordeals of history depends largely on how it enhances the core role of the working class and how it leads the broad masses of people to learn from the revolutionary ethos of the working class satisfactorily. Since its first day of leadership for the revolution and construction, our party has struggled energetically to enhance the core and leadership role of the working class and make its revolutionary ethos pervade the whole society. Thanks to our party's correct policy and sagacious leadership, the ranks of our working class have strengthened organizationally and ideologically, with an unprecedented enhancement in their revolutionary ethos and combat strength.

Today our working class takes the lead in holding up our party as the pillar and the foundation, as it should as the leading class of the Korean revolution, playing superbly its spearhead role in the revolutionary struggle and construction work. Keeping engraved on their hearts the luck they have with the leader [suryong] generation after generation, they will resolutely protect and defend the great leader [yongdoja] Comrade Kim Chong-il and, under the party leadership, fight to the end to attain the

socialist cause of *chuche*. This is the inflexible faith and will of our working class.

No other working class in the world upholds its party and leader so wholeheartedly or cares for the destiny of its fatherland and revolution so deeply as our working class does. It is a great pride for our party and people to have this working class, the most revolutionary working class whose loyalty to the party and the leader is so high and whose faith in socialism so precise and thorough. All the people will learn from its lofty mental features and the revolutionary ethos; herein lies an important guarantee for consolidating the our party's class foundation in every way and finally attaining the socialist cause of *chuche*.

The revolutionary ethos of our working class is the ethos of faithfulness of people who, in everything, entrust the destiny entirely to the great leader [yongdoja] Comrade Kim Chong-il and do solely as the party tells them to. It is the indomitable struggle ethos of people who face and overcome all barriers and bottlenecks with the faith that all there is for them to do is to trust the party and make revolution. It is the collectivist ethos of people who, with revolutionary comradely love, give full play to mass heroism helping and leading one another. When all the people learn from this revolutionary ethos, and when the revolutionary fighting spirit of the working class pervades the whole society, then our socialism will be resolutely protected and preserved through any storm and the might of our fatherland will grow incomparably.

For all our people to learn from the working class's revolutionary ethos is an important requirement in accelerating the revolutionization of the whole society, giving it a working-class nature, and augmenting the *chuche*-based strength of our revolution in every way.

It is our party's consistent policy to strengthen the leadership role and the revolutionary function of the working class and use it as the model in accelerating the revolutionization of the whole society and giving it the working-class nature. Our working class, as the most revolutionary class our party relies on, is strong in revolutionary ethos, organizational spirit, and disciplinary character, and high in collectivist spirit and cultural level. This being so, if the working class is placed at the forefront, for all to emulate its ideological and mental features, it is possible to remold all members of society in the image of the working class, and to prepare them as true, *chuche*-type communist revolutionaries. This is our precious experience, and an absolute truth, in our revolutionary practice.

The term "molten-iron philosophy" appearing in the recently-shown Korean feature film "Nation and Destiny" (dealing with the working class) is a well-said and

highly significant phrase, because it reflects the correctness and vitality of our party policy on indoctrinating and remolding all members of society on the model of our working class. The deep thought it contained is that any person can be converted to the working class and revolutionized when he or she lives and struggles as the working class does, learning from its ideological and mental features. All of us should fully master this ideology that embodies the party's lofty intent, and they should wage a vigorous struggle to emulate the revolutionary ethos of the working class. Only by doing so is it possible to make the revolutionary spirit of the working class pervade the whole society, and to further strengthen the *chuche* of our revolution, whose core is the working class.

To lead all members of society to learn from the revolutionary ethos of our working class is a worthy cause in bringing about revolutionary upsurges in socialist construction and make our country, our fatherland, richer and stronger.

Today's general march is an all-people march toward the high goal of socialist construction, upholding and revering the great leader Comrade Kim Il-song forever and following the leadership of the respected and beloved Comrade Kim Chong-il. In this solemn struggle, our working class is leading the van of socialist construction, overcoming all barriers and bottlenecks with the firm conviction of victory that they are ever-victorious as long as the great leader [yongdoja] Comrade Kim Chong-il is with them. There may be some difficult barriers, but no unconquerable ones, for our working class which is determined to make revolution under the party leadership under any circumstances. When we learn from the revolutionary ethos of the working class — which is high on the spirit of absolutism and unconstitutionality to party policy, and strong on the revolutionary spirit of self-reliance and fortitude — and when we all support the party cause with the devoted struggle that the working class does, our party's grand socialist construction plan will be carried out brilliantly and our fatherland will become a greater paradise for the people.

Today our party takes deepest pride in the fact that it has our working class with it. The working class features infinite faithfulness to the party and the leader, inflexible confidence in socialism, and boundless devotion to the fatherland and the people, and it supports the party cause in the van. Our party is calling on all members of society to learn from its revolutionary ethos. This reflects the great love and the noble intent of the great leader [yongdoja] Comrade Kim Chong-il, who always trusts and puts our working class at the forefront as the core unit, the main unit, of the revolution. He sets it up as the model for fostering all other members of

society, including intellectuals, to be true, chuche-type communist revolutionaries. Each and every one of us should emulate the revolutionary ethos of the working class and, with high revolutionary spirit and combat strength, bring about revolutionary upsurges in socialist construction, thereby demonstrating more forcefully the dignity of chuche Korea and the invincibility of our way of socialism.

We should learn, first of all, from the infinite faithfulness of our working class to the party, and from its inflexible faith in socialism.

Our working class is a revolutionary class whose position and posture of upholding the party and the leader is precise and thorough, and whose faith in socialism is firm. All its thinking and practice is devoted consistently to one thing: how it can better support the great leader [yongdoja] Comrade Kim Chong-il and be infinitely faithful to the ideology and leadership of the party. It is the unanimous faith and will of our working class that it will turn itself into one big citadel, one giant shield to protect and defend the great leader [yongdoja] Comrade Kim Chong-il, as the working class of Kangson did in the past to destroy with the blast of their electric furnaces the maneuvers of factional elements and protect and defend resolutely the fatherly leader's ideology and lines.

Adding to the noble character of the working class's infinite faithfulness to the party and the leader is the fact that it is combined with the resolute revolutionary spirit to defend socialism to the end. From the miserable plight of workers in countries where capitalism was revived, members of our working class are feeling, with all their hearts, that if it were not for the great leader [yongdoja] Comrade Kim Chong-il, there could not be the workers' party era that they enjoy today nor a chance of living the worthy life they do today. More than anybody else, they are focused on upholding the party and adhering to our way of socialism as a vital requirement, subordinating everything else to it. Their foremost concern is about their party and the destiny of our way of socialism; whatever they say or whatever they do, they burn their hearts with one thought — how they can — even in a minor way — ever repay the party for its vast benevolence. Such are the ideological and mental features of our working class today.

We should all have our revolutionary spirit as precise and thorough as that of the working class, and our conscience as pure and clean as that of the working class; whether in prosperity or in adversity, we should uphold our leader [yongdoja] and our valuable socialist system wholeheartedly and, in doing so, seek the greatest meaning and happiness of life. At the same time, we should

emulate the collectivist spirit of the working class based on the faithfulness to the party and the leader, bringing the laudable communist virtue of helping and leading one another to fuller efflorescence throughout society. If all our working people follow the example of the working class and burn their hearts with infinite faithfulness to the party and the leader and boundless devotion to the fatherland and the revolution, and uphold the party cause with wholehearted unity, they can acquit themselves fully of their basic responsibility as warriors of the party and the leader and give fuller play to the superiority of our way of socialism.

Also important in emulating the revolutionary ethos of our working class is its revolutionary spirit of self-reliance and fortitude.

If the socialist cause is to be attained finally, it is necessary for our will to be strong and our revolutionary spirit of self-reliance high. Historically, our working class has the proud tradition of upholding the party cause in the van under the high revolutionary banner of self-reliance. It was our working class that, immediately after Liberation, kindled the flame of national construction under the banner of self-reliance and took the lead in accelerating the laying of the foundation for a new democratic fatherland through a patriotic increase-production campaign. It was also our working class that, during the fierce [Korean] war and the difficult postwar period, ensured smooth wartime production with an indomitable fighting spirit and then ignited the chollima movement. Again, it was our working class that stirred up the fiery Speed Battle wind and performed epochal miracles to get those grand monumental creations to mushroom across the country.

The traditional revolutionary spirit of self-reliance and fortitude of our working class is being brought into fuller play in today's general march to mark the 50th anniversary of the founding of the party in a meaningful fashion.

At every post of socialist construction involving difficult work and backbreaking labor, our working class stands, the heart of each of its members continuing to beat with the spirit of Nagwon, and the spirit of Kangson, today as firmly as ever. As for our working class more deeply aware than anybody else of its important mission on behalf of the fatherland and the revolution, no barriers in their way can break their faith and no tasks, however formidable, can shake its will. Also, there is no such thing as becoming preoccupied with selfish interests and being timid in the way it goes about work.

All our working people should follow the example of this revolutionary ethos of the working class and give fuller play to the revolutionary spirit of self-reliance and

fortitude. Following the example of the revolutionary work attitude of the working class, we should accomplish the assigned tasks in a responsible manner to the end, from the revolutionary stand to resolve any problems on one's own even in the absence of help from the higher echelons, although such help would be appreciated. Whenever confronted with difficult and back-breaking tasks, we must take the lead in finding a breakthrough, mark every moment with a feat of loyalty, and press ahead militantly. When all our people arm themselves firmly with the fighting spirit and the revolutionary spirit of self-reliance of the working class, and when they press ahead implementing party lines and policies unconditionally as the working class does, the revolutionary economic strategies set forth by our party will be brought to brilliant fruition, with new upsurges on all fronts of socialist construction.

With the struggle to emulate the revolutionary ethos of the working class going on vigorously throughout our society, the reality today demands that the revolutionary role of our working class be enhanced than ever.

Today our party trusts the working class steadfast, while all the people, including intellectuals, are learning a lot from its revolutionary spirit and combat strength. The greater the party's trust, and the higher the people's expectations, the more deeply should the working class be aware of its important responsibility for the age and the revolution and the more creditably should it perform its leading role.

Members of our working class must endlessly improve themselves politically and ideologically in consistency with the intent of the party and demands of the developing realities; they must make positive efforts to further enhance their revolutionary ethos, organizational spirit and disciplinary character. They all should always be the pillar and the foundation in upholding Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, in a manner worthy of the core unit of our revolution, taking the lead in carrying out the plans and intent of the party. In particular, those assigned to branches playing a major part in the pursuit of the revolutionary economic strategies of the party should be the standard-bearer and the performer of miracles and feats in today's general march.

To further enhance the core role of our working class, and to bring the whole society to positively emulate its revolutionary ethos, it is necessary to enhance the role of party organizations.

No other people uphold the great leader [yongdoja] as highly as our working class does, and make revolution amid such immense trust. Nor are there people supporting their leader [yongdoja] so wholeheartedly as

our working class does, with a revolutionary faith so precise and thorough, and a conscience so clear. Party organizations must hold dear the working class which our party gives so much trust and prominence to, and closely organize and coordinate organizational political work to make the masses of all strata learn from its noble features and revolutionary work attitude. It is especially important to push forward vigorously programs to inspire intellectuals to emulate the revolutionary spirit and combat strength of the working class and to fight on staunchly. At the same time, party organizations at factories and enterprises should energetically conduct ideological indoctrination work to instill members of the working class with the immense love — and the noble intent contained in it — of the great leader [yongdoja] Comrade Kim Chong-il, who gives prominence to and trusts the working class as good people infinitely faithful to the party and socialism. Thus, they will ensure that members of our working class are most proud of themselves and make positive contributions to the party and the revolution.

Functionaries, who are the commanding personnel of the revolution, should do their commanding of battles in an ambitious manner with the invincible faith that there is no unconquerable difficulty as long as there is our heroic working class, and our people who, emulating the working class, fight on with a high revolutionary spirit. All functionaries should go deep among members of the working class and learn from their faithfulness and devotion to the party and the revolution while sharing their lot, joys and sorrows with them; with vigorous political work, they should stir our working class and people on to greater victories and feats.

Our party cause is the cause of the working class; in building socialism, our party counts on the masses of people centering on the working class, the core. Our socialist cause is invincible as long as there are the great party and the sagacious leadership of the leader [suryong], the faithful working class upholding the leader [yongdoja], and our people forming a complete whole entity with the party.

Let us all press ahead with an energetic struggle to emulate the revolutionary ethos of our working class and, by doing so, accelerate more vigorously the revolutionization — and the conversion to the working class — of the whole society and bring about new upsurges in today's general march to add luster to the party's 50th birthday with a grand festival of victors.

South Korea

U.S. Reportedly 'Flexible' Over Car Talks

SK2209014295 Seoul THE KOREA TIMES in English
22 Sep 95 p 8

[Report by staff reporter No Chun-hon: "US Seen Retreating on Auto Issue"]

[FBIS Transcribed Excerpt] The United States is reportedly taking a more flexible approach to automobile issue with Korea in view of the fact that an outright clash will not help the Clinton administration in its election campaign.

According to government sources, the U.S. Trade Representative [USTR] appears to be more willing to reach a compromise on mutually acceptable terms to avoid a repeat allout confrontation like that with Japan early this year. [passage omitted]

To resolve the conflict, Korean and USTR representatives met in Washington, and the two-day session was extended for a third day yesterday (local time) to hammer out a compromise.

At issue in the automobile dispute is the fact that Korean imports of foreign cars make up only 0.3 percent of its total market.

The Korean automobile industry has been growing at a frightening pace, and the nation's five major automakers have a vision of manufacturing 5 million units by the end of the century.

To rectify the imbalance, since over 200,000 Korean cars were sold in the U.S. market last year, the USTR is demanding that Korea take necessary measures to increase the portion of imports to 5 percent.

For this to happen, the USTR has been asking for the import tax to be lowered from the current 8 percent to 2.5, and for provincial and other auto-related taxes to be unified for all cars instead of charging more for large units.

The Korean side, however, is maintaining that these import taxes are in fact lower than many foreign countries, and that higher taxes for luxury units are designed to prevent environmental pollution, among other reasons.

Yet another issue in contention is the lifting of regulations on the equity participation in financing companies for installment purchases. This has reportedly been deferred to negotiations at a meeting of the International Monetary Fund to be held in Washington early next month.

Officials at the Ministry of Trade, Industry and Energy [MOTIE], which is heading the automobile talks, be-

lieve that a compromise can be reached more easily than they first thought.

MOTIE's Yi Chong-ku told THE KOREA TIMES yesterday that the tough stance Korean delegation has been taking appears to be paying off, although there have not been any specific indications from Washington.

"While it is difficult to predict, we appear to be holding steady with the U.S. backing down somewhat to avoid an outright confrontation which will certainly take the dispute to the World Trade Organization [WTO]," he said.

Deputy MOTIE Minister Han Tok-su, who is also in Washington, had said that all necessary measures had been taken concerning WTO arbitration should the U.S. decide to impose "unfair" sanctions against Korea.

Both Sides Seeking Compromise

SK2209012195 Seoul KBS-1 Radio Network
in Korean 0000 GMT 22 Sep 95

[Report by correspondent Pak Won-ung from Washington]

[FBIS Translated Text] The ROK and U.S. delegates to negotiations on the automobile issue are now seeking a final compromise after consultations with their respective governments on the result of negotiations for the past two days.

An ROK official accompanying the negotiation team said: The United States put forward five demands. The two sides have reached an agreement on the issue concerning the establishment of financial companies in accordance with our proposal. The ROK side has accepted the U.S. demand concerning the approval of U.S. car models, thus alleviating the U.S. companies' burden.

The official said, however, they differ in opinion on the issue of additional reduction of tariffs and the revision of the ROK tax system, and are discussing whether they will continue negotiations on this issue.

Another official hinted to the possibility of ultimately resolving the issue, by saying that the United States certainly seems to be willing to settle the problems through negotiations.

Meanwhile, the U.S. Car Makers' Association said today that it was disappointed at the result of the ROK-U.S. automobile talks and urged the U.S. Administration to take strong measures to open the ROK automobile market.

Seoul Refuses To Lower Taxes

*SK2209051295 Seoul YONHAP in English
0459 GMT 22 Sep 95*

[FBIS Transcribed Text] Washington, Sept. 21 (YONHAP) — The third day of Korea-U.S. automobile talks failed to produce an agreement Thursday as South Korea continued to refuse demands by the United States to lower taxes on imported automobiles, according to sources close to the automobile talks.

The South Korean delegation offered an additional concession on the tariff issue during Thursday's talks but the U.S. side did not accept it, according to the sources. It, however, was not clear immediately what the concession was.

"We have failed to narrow differences over some issues," said an official at the South Korean Embassy in Washington. "We have concluded today's talks without an agreement."

The U.S. side will inform the Korean team of the U.S. Government's decision after reviewing the offer made by the Seoul government and consulting with the U.S. auto industry, he said, hinting that the negotiations will continue over the weekend.

One source said, "Negotiations have passed the working-level officials level."

"It is inevitable that the United States will make political considerations above the level of Deputy U.S. Trade Representative Charlene Barshefsky," he said.

"We expected that the negotiations will not go smoothly because the politically sensitive tariff issue is on the agenda," he said.

He added that the governments of both countries had difficulty demonstrating to their people that they are making their best effort to protect their national interests.

"Accordingly, it is possible that the talks may not produce a clear-cut ending, with the two sides refraining from officially announcing a breakup or an agreement," he said, reminding of the outcome of the U.S.-Japan automobile talks.

U.S. Imports Growing at 'Explosive Level'

*SK2209095495 Seoul MAEIL KYONGJE SINMUN
in Korean 22 Sep 95 p 3*

[Editorial: "Rapidly Increasing Imports From the United States"]

[FBIS Translated Text] It is surprising beyond expression that the amount of goods we are buying from the United States is increasing at an explosive level. Dur-

ing the first half of this year, the amount of imports from the United States was \$12.455 billion, showing a 54.6 percent increase compared with the same period last year. This is twice the level of last year's increase of imports from the United States which was 22 percent. If the rate of imports continues at this speed, there is no doubt that, by late this year, we will be the fourth largest market importing U.S. goods, surpassing that of Germany and Great Britain. Except for Canada and Mexico, which are member countries of the North American Free Trade Agreement, an economic alliance organization with the United States, our country is the second largest customer next to Japan. Of course, increase in the trade volume through balanced expansion in the scale of trade is desirable. However, this is not the case of ROK-U.S. trade these days. We can say that it is an abnormal expansion of imports due to pressure from the United States and our unilateral acceptance. It is expected that our trade deficit with the United States will reach \$9 billion toward the end of this year. This is nine times more than the deficit recorded last year.

Nevertheless, the United States is strengthening the strong trade pressure against us with each passing day through negotiations with us over agriculture, communications, and automobiles. This is a very bitter and complicated matter. When viewed from these points, it is necessary for our negotiations with the United States and trade policy to be more elaborate and mature.

Another element for such an increase in the amount of imports from the United States is our industrial circles and consumers' voluntary substitution of imports due to the super-high yen phenomena. Nevertheless, our rate of increase of U.S. imports is more than twice as high as the rate of any of the United States' 10 major trading partners. This makes us reflect that it may be due to concentrated pressure from the United States, and that we are easily accepting U.S. demands.

Moreover, what is worrying is the fact that the United States is not increasing imports of our goods. The phenomena of the rich getting richer and the poor getting poorer is being intensified among U.S. consumers. Thus, the middle class, which is the main customer of our goods, has thinned. However, this has no persuasive power. Before forcing us to consume its goods, the United States must show it is making efforts to promote imports of our goods, and must treat us in a way that fits the situation, considering that we are one of its four major customers.

The United States must refrain from making unreasonable demands as shown in the automobile negotiations and refrain from using threatening words whenever it has the opportunity. We must also throw away the po-

sition of unconditionally accepting the demands by the United States and must develop counter theories that can resolutely defeat the unreasonable demands by the United States. The increase in trade volume between the two countries at a time when diplomacy and the people's sentiments are not at an equal level, and the march toward deficit due to our unilateral expansion of imports, must be corrected as soon as possible. More comprehensive and effective countermeasures are necessary by the government and business circles.

U.S. Lobbyists Oppose Super 301

SK2209021695 Seoul THE KOREA TIMES in English
22 Sep 95 p 8

[FBIS Transcribed Text] A powerful U.S. lobby group, Pro Trade Group (PTG), has recommended the U.S. Trade Representative (USTR) not to designate Korea as a nation subject to Super 301 sanctions. It also urged Washington to settle the car dispute with Korea through negotiations.

PTG warned that the Clinton administration will be dealt a political blow rather than solve the problem if it invokes Super 301 against Korea.

The protestor is regarded as an influential lobbying organization representing the interests of manufacturers, service providers and traders. It has also members from foreign countries.

The organization expressed support for the Clinton administration's policy of seeking market opening by trading partners, but opposed resorting to Super 301.

"Super 301 sanctions were wrong from the start and will not help the United States achieve its goal of opening partners' markets," PTG was quoted as saying, according to a report to the state-run Korea Trade-Investment Promotion Agency (KOTRA) from its branch in Washington.

The lobby group was quoted as having proposed the Super 301 article not be employed any more as it does not match the rules of the World Trade Organization (WTO) regime.

U.S. Allegedly Asks for Help in Bank Strikes

SK2209033995 Seoul THE KOREA TIMES in English
22 Sep 95 p 9

[FBIS Transcribed Text] The United States, expressing worry over the recent labor disputes at American and foreign banks in Korea, has asked the Korean government to take action against illegal strikes.

Sources quoted the American government official as saying that Washington has no intention to ask Seoul

to "involve itself in negotiations between management and union over wages and other issues." But the United States was said to have called on Korea to "make full protection of American bankers and banks when labor disputes turned into illegal actions."

The American position was conveyed to the Korean government through a diplomatic channel after the Seoul branch of the American Bank of Boston locked out striking unionized members. The U.S. bank management and unions were unable to iron out differences over this year's wage hike rate.

Many of the unionized Korean employees at as many as 20 foreign banks in Korea have urged management to increase wages, claiming the assumption that they are paid more than their counterparts at Korean banks is wrong. The union claims that they receive 30 percent less in compensation than domestic bank employees.

Out of the 52 international banks, 38 have unions. Currently, unions of 12 banks reported disputes to authorities. Three banks have been in full strikes.

Financial Talks With U.S. Scheduled for Oct

SK2209021895 Seoul THE KOREA TIMES in English
22 Sep 95 p 9

[Report by staff reporter Yi Chang-sop]

[FBIS Transcribed Text] Korea and the United States will meet again in Washington in early October to discuss financial issues when the annual meeting of the International Monetary Fund and the World Bank takes place in Washington, D.C.

Both sides have tentatively agreed to meet in a recent letter and communication between the Ministry of Finance and Economy and the U.S. Treasury Department.

But an American government official said "no tension" exists between the two countries over financial issues, adding that the meeting will be "business as usual."

A new issue will deal with the establishment of American auto financing companies in Korea, he added. Korea allowed foreign auto makers to set up joint venture auto financing companies this year, but their equity participation is limited to 49 percent, he said.

He said American auto makers would like to have some flexibility in setting up financing companies to provide capital to their dealers, so that they can hold inventory, and facilitate the establishment of show rooms to promote sales of American cars here.

He expressed the hope that Korea will accelerate its timetable in permitting foreign auto makers to establish a 100 percent wholly-owned subsidiary ahead

of schedule, despite Seoul's commitment to do so in 1997.

The bilateral financial policy talks (FPT) will be headed by Sin Myong-ho, deputy finance and economy minister, and Jeffrey R. Shafer, assistant Treasury Secretary. Shafer will be promoted to the undersecretary post at the Treasury, the U.S. official said.

Deputy Finance and Economy Minister Sin said Korea maintains amicable and friendly relations with the U.S. Treasury Department over financial issues. He said the smooth relations are due mostly to Seoul's prompt implementation of all pre-announced reform plans. Furthermore, he praised his counterpart Shafer, who has full understanding of the Korean financial market situation through maintaining good relations with Korean government officials.

In the meeting, the Treasury Department is expected to urge Korea to further liberalize its financial sector, and ease foreign exchange and capital controls, which inhibit market forces from fully determining the exchange rate in Korea.

Seoul released in late 1994 its Foreign Exchange System Reform Plan—a package of measures which will loosen some foreign exchange and capital controls in three stages to 1999.

The Treasury Department is expected to press Korea to accelerate the implementation of this plan, and broaden the measures contained in it, a Seoul official said.

The U.S. Treasury Department said in a recent report that another significant development is Korea's formal application to join the Organization for Economic Cooperation and Development.

It said a key element in attaining membership in this organization will be liberalization of the financial sector and a commitment to liberalize capital flow controls. It said Korea's desire to join the OECD by 1996 should help to accelerate the reform process, and eliminate those controls which inhibit a fully determined exchange rate in Korea.

Retired Solons Oppose U.S. Radar System Order

*SK2209034095 Seoul YONHAP in English
0254 GMT 22 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 22 (YONHAP) — The Defense Ministry's purchase of U.S. AN/TPQ-37 anti-artillery radar systems is a waste of over 70 billion won (90.3 million U.S. dollars) because the radar is not effective, several retired-general opposition lawmakers alleged Friday.

Rep. Kang Chang-song of the Democratic Party, citing reports submitted by the Defense Ministry for the forthcoming parliamentary inspection of the ministry and the defense industry, claimed that, "The AN/TPQ-37 anti-artillery radar systems, which the Defense Ministry decided to purchase last June for 72.5 billion won, 12.5 billion won per piece, is a weapon we should not buy because of its poor record of performance."

In joint Korea-U.S. tests conducted on the anti-artillery radar in August last year, only two out of 33 units detected targets, according to Rep. Kang.

The United States allegedly forced the Defense Ministry to purchase AN/TPQ-37 systems without disclosing the outcome of a second set of test at a U.S. military base in South Korea.

The AN/TPQ-37 is a state-of-art radar system which is supposed to detect the shell-firing location of artillery units by means of tracing incoming shells fired by the enemy.

The Defense Ministry, overruling the Army's objection, decided to purchase the American radars after reducing the performance criteria of AN/TPQ-37 systems from the required simultaneous detection of ten shells to five, Kang asserted.

Rep. Yim Pok-chin of the major opposition National Congress for New Politics (NCNP) said, "Though the AN/TPQ-37 radar is said to have displayed excellent performance in the Gulf War, it is extremely uncertain if it will be effective in the mountains of Korea. We can hardly understand why the Defense Ministry decided to purchase the radar in the face of such strong objections by the Army."

Defending the move to purchase the anti-artillery radar in question, a Defense Ministry official said, "A need to reinforce our combat capabilities emerged last year when North Korea threatened to turn Seoul into a sea of fire. The AN/TPQ-37 radar is a weapon essential for guaranteeing our combat capabilities."

IAEA To Adopt Resolution on DPRK Issue

*SK2209014595 Seoul YONHAP in English
0036 GMT 22 Sep 95*

[FBIS Transcribed Text] Berlin, Sept. 22 (YONHAP) — The United Nations atomic watchdog agency will close its 39th annual session Friday after electing South Korea a council member and adopting a resolution calling for North Korea to comply with the nuclear safety treaty.

The International Atomic Energy Agency (IAEA) is set to adopt a resolution Friday expressing regret over the North's prolonged noncompliance with the

nuclear safety treaty and urging the reclusive communist country to fully comply with the pact which it concluded with the IAEA.

The resolution calls upon Pyongyang to preserve all information and data needed to confirm the completeness and accuracy of the initial nuclear materials report which it submitted to the IAEA and pledges to deal with the North Korean nuclear issue again at the 40th IAEA regular session slated for next year.

Some progress has been made between the United States and North Korea toward resolving the North's nuclear issue. But the resolution reconfirms the atomic watchdog agency's basic stance that Pyongyang's refusal to allow inspections has prolonged the North's noncompliance with the nuclear safety treaty, an IAEA source said.

The IAEA, meanwhile, will elect South Korea as a council member representing the Far East. The election will take place in the course of reshuffling nonpermanent council member countries whose two year terms have ended.

South Korea was elected a council member in 1991 and played an active role in discussing North Korea's military nuclear development program before it turned the post over to the Philippines in 1993.

South Korea plans to promote a revision to the IAEA constitution governing the formulation of the council in an effort to become a permanent member, emphasizing that it is one of ten top countries in the world in terms of nuclear technology.

In addition the IAEA will also adopt a resolution expressing its disapproval with France and China for resuming their nuclear tests, which have drawn widespread rebuke, and urging a worldwide nuclear moratorium on further testing.

NSP Head Comments on Kim Chong-il, North

*SK2209062295 Seoul YONHAP in English
0614 GMT 22 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 22 (YONHAP) — North Korean de facto leader Kim Chong-il is healthy and in control, but chances remain that the North could escalate tension on the Korean peninsula due to its accelerating economic hardships, Agency for National Security Planning (NSP) Director Kwon Yong-hae evaluated Friday.

Testifying before the National Assembly Intelligence Committee on prospects of a formal succession to power by Kim Chong-il and the recent flood damage in the North, Kwon was quoted by the parliamentary committee chairman Rep. Sin Sang-u as saying, "the

delay in Kim Chong-il's formal ascendance to the helm of power is judged not to have been caused by either his health problem or internal conflict. Kim is engaged in tours, he inspected a military unit on Sept. 13 and the North Korean power elites are following his instructions."

But "in the event North Korea fails to overcome its deteriorating economic difficulties resulting from the recent flood damage, the possibility cannot be ruled out that tension on the Korean peninsula will be heightened," Kwon was further quoted as saying.

In this regard, Rep. Sin commented that he sees no signs indicating that Pyongyang will amend its policy of pursuing reconciliation with the United States, while maintaining a hard line toward relations with the South, and that any tension on the Korean peninsula would be directed at the South.

Noting that the North, despite its deteriorating economy and the serious flood damage it sustained, is preparing for mass rallies and parades of about one million people, Director Kwon added, "This appears to be an attempt to demonstrate at home and abroad that the Kim Chong-il leadership is in good shape."

North Officials To Attend Seminar on Najin

*SK2209014395 Seoul KBS-1 Radio Network
in Korean 0004 GMT 22 Sep 95*

[Report by correspondent Yu Song-chae from Tokyo]

[FBIS Translated Text] In a report from New York, Japan's YOMIURI SHIMBUN reported on 22 September that four North Korean policy makers — including Yi Hyong-chol, director of the American Affairs Bureau of the Foreign Ministry — will visit Washington on 10 October to attend a seminar hosted by the U.S. International Economic Research Institute.

The seminar will be held on the current status of North Korea's free trade zone in the Najin-Sonbong area, and Winston Lord, assistant secretary of the U.S. State Department, will also participate in the seminar.

Director Yi Hyong-chol is a member of the Peace and Disarmament Institute, a think tank of North Korea, and was a member of the North Korean delegation to the U.S.-North Korea high-level talks on the nuclear issue.

Japan To Propose Weapons Technology Cooperation

*SK2209033095 Seoul YONHAP in English
0215 GMT 22 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 22 (YONHAP) — Japan will propose starting regular negotiations with

South Korea to discuss exchanging weapons, weapon parts and armament intelligence to facilitate the first military cooperative relations between the two neighboring countries, according to TOKYO SHIMBUN Friday.

The proposal will be made by Japanese Defense Minister Seishiro Eto to his South Korean counterpart Yi Yang-ho when Eto visits Seoul Friday for talks with Yi, the daily reported.

Once the weapons talks proceed, South Korea is likely to request that Japan provide South Korea with state-of-the-art technologies for the production of high-tech weapons, the daily reported.

The Japanese daily reported that South Korea wants to obtain advanced technology from Japan in order to reinforce the South Korean defense system but added that Japan will have to consider its so-called 'three principles' before it can go ahead with any exchanges.

According to the principles, the Japanese military is banned from exporting weapons to communist countries, states where arms exports are prohibited by United Nations resolutions and regions involved in military conflict or potential locations of conflict.

The daily, however, noted that since Japan's International Trade and Industry Ministry and its defense industry are both hoping to provide weapons technology to its allies, it will probably affect the Korea-Japan defense talks.

Foreign Ministry Schedules 'Yanji Investmart'

SK2109101495 Seoul YONHAP in English
0709 GMT 21 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 21 (YONHAP) — China's northeastern Yanbian ethnic Korean autonomous prefecture will hold an investment promotion forum in Yanji city, its capital, inviting businessmen from South Korea, Japan, China, the United States, Russia and Mongolia, a Foreign Ministry spokesman said Thursday.

During the 'Yanji investmart' slated for Oct. 10-13, Yanji city authorities will hold seminars on investment and economic policies in the Yanbian region, the spokesman said.

Among major business sectors to be covered will be the food, clothing and wood industries.

The investmart is being cosponsored by the United Nations Industrial Development Organization (UNIDO), the Jilin Province and several economic and trade-related government agencies from China.

Participants of the investmart will visit North Korea's Najin-Sonbong economic free trade and economic zone

and Russia's Zarubino and Posyetin from Oct. 14-15, the spokesman said.

Yi Hong-ku Urges Stronger Europe-Asia Links

SK2209035295 Seoul THE KOREA TIMES in English
22 Sep 95 p 2

[FBIS Transcribed Text] Prime Minister Yi Hong-ku yesterday called an international economic summit in Singapore for strengthening the Euro-East Asia linkage to bring about a new world order for global prosperity.

In a keynote speech at the Fourth Europe/East Asia Economic Summit organized by the World Economic Forum held at Shangri-la Hotel in the prosperous city state, Yi said, "It is time for both Europeans and East Asians to begin collaborating as partners, in order to help each other sustain economic dynamism, and further, to bring about a new world order for global prosperity."

The South Korean premier suggested that the two regions build strategic alliances with each other to cope with the challenges of the dawning age of globalization.

Saying that the East Asian region has been emerging as the new growth pole of the world economy, in addition to Europe and North America, Yi stressed the need for the three economic blocs to join efforts in avoiding head-to-head competition which may breed tension and conflict and bring about the fragmentation of the world economy.

"This is a scenario of recurring tension and conflict, with consequent damage to all economies concerned. In this scenario of global crisis, all economies will slow down, although some may be more hurt than others. The rest of the world will suffer as well," Yi said.

Yi, however, said he thinks this will not come true. "Nations need to cooperate with each other to prosper; and the need does not stop at regional demarcations," the premier said.

Noting that each of the triad blocs has its own strengths and weaknesses, Yi elaborated, "Europe and North America have long had their own rigidities, which have given rise to so-called Euroclerosis and the United States' twin deficits. However, they have mature human resources, advanced technologies and financial capital for investment. On the other hand, East Asia lacks advanced technologies and needs capital. Nonetheless, East Asia has an ample work force as well as the willingness to work hard, while it also has a high degree of flexibility."

Yi continued, "So, if the triad regions were to work together, we could realize global prosperity. In this sce-

nario, the triad regions cooperate to adhere to the open global trading system." Then there is interdependent, balanced economic growth between the regions and everybody will be better off, he predicted.

"Europe will eventually be cured of its sclerosis, the United States will eliminate its twin deficits, and East Asia will be allowed to realize its full growth potential, gradually closing the economic gaps with the other two regions," he said.

Yi called for having a structure in place that will enable the trial blocs to promote and ensure such coordinated global efforts.

"I believe this structure should take the form of a triangle, consisting of three linkages — a trans-Atlantic linkage, a trans-Pacific linkage and a Euro-East Asia linkage," Yi said.

UN Disarmament Convention To Accept 2 Koreas

SK2209100795 Seoul YONHAP in English
0902 GMT 22 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 22 (YONHAP) — The United Nations Convention [Conference] on Disarmament (CD) Thursday agreed in principle to accept a group of 23 countries including both South and North Korea as new members, adding that it will decide when the memberships will take effect at a later date, the Foreign Ministry said Friday.

Thirty-seven member countries of the CD adopted by consensus the proposal presented by its Chairman Benjelloun Touimito [name as received] to expand the group's membership, according to a Foreign Ministry spokesman.

The ministry expects the proposed expansion of the CD will pave the way for both South and North Korea to participate in multilateral disarmament talks.

President To Visit UN, Hold Summit in Canada

SK2209030495 Seoul YONHAP in English
0231 GMT 22 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 22 (YONHAP) — South Korean President Kim Yong-sam will visit Canada Oct. 16-20 and the United States Oct. 21-26, Presidential Press Secretary Yun Yo-chun said Friday.

In Canada, Kim will hold a summit meeting with Prime Minister Jean Chretien in Ottawa on Oct. 20. The two leaders will discuss expanding their relationship in the Asia-Pacific era, among other things, Yun said.

Kim, accompanied by First Lady Son Myong-sun, will make stops in Vancouver and Toronto to meet leaders of the Korean communities there. In Vancouver, he

will speak at a dinner co-hosted by the city's traders association and the Canadian Asia-Pacific Foundation.

In the United States, President Kim will speak at the special UN General Assembly session marking the 50th anniversary of the world body's founding in New York City on Oct. 22, along with U.S. and Russian Presidents Bill Clinton and Boris Yeltsin.

In the speech, Kim will look back on the achievements the world organization has made over the past half century and suggest the direction it should pursue in the 21st century, Yun said.

While staying in New York City from Oct. 21-24, Kim will separately meet with the leaders from Russia, France, Egypt, Israel, India, Singapore and Spain as well as attend a reception hosted by U.S. President Clinton and a luncheon hosted by UN Secretary-General Butrus Butrus-Ghali.

Yun said President Kim's visit to the UN headquarters prior to South Korea's election as a non-permanent member of the UN Security Council is tantamount to a declaration of the country's increased commitment to UN activities.

In New York, Kim will receive the American UN Association's award for being a distinguished world leader and an honorary doctorate from New York University.

On his way home, the president will also stop in Honolulu, Hawaii, on Oct. 25 to visit the U.S. Pacific Command and to meet with leaders of the Korean community there.

The South Korean head of state is scheduled to return home on Oct. 28.

Kim Yong-sam Supports DLP View on Flood Aid

SK2209045095 Seoul CHOSON ILBO in Korean
22 Sep 95 p 2

[By reporter Hong Sok-chun]

[FBIS Translated Text] In connection with the issue of providing flood relief to North Korea, President Kim Yong-sam said on 21 September: "The issue being raised by the party that flood relief must not be carried out until there is an official request from the North Korean authorities is valid. The party and administration should hold detailed discussions on this matter."

Yun Won-chung, chief secretary to Chairman Kim Yun-hwan of the Democratic Liberal Party [DLP], said that President Kim made these remarks to Chairman Kim Yun-hwan when the latter noted the public's ill feelings over providing flood relief to the North at a

weekly briefing on party affairs on the afternoon of 21 September at Chongwadae [presidential offices].

Kim Yong-sam Says Candidate Issue Premature

*SK2109122695 Seoul YONHAP in English
1111 GMT 21 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 21 (YONHAP) — President Kim Yong-sam said Thursday this is no time for the ruling Democratic Liberal Party (DLP) to discuss the issue of choosing a DLP presidential candidate.

"After all, the remaining term of my presidency is no shorter than two years and five months," President Kim said in a special interview held with the CHUNGANG DAILY NEWS on the occasion of the daily's 30th anniversary.

Kim warned that any DLP official who raises the issue prematurely should realize that when the matter surfaces in due course, he would face disadvantage.

On the issue of generational switch, President Kim said he, as the president, has the obligation to meet the people's "absolute wish" for a generational switch.

"I will realize generational switch by all means... As the people's demand for generational switch is getting stronger, there would be no person or forces able to withstand the demand," he said.

The generational switch as mentioned by the president means that a next president should be not old-timer opposition leader Kim Tae-chung or Kim Chong-pil but some younger person.

He said that his ruling party would display in the coming general elections a fresh image quite different from the one showed in the last June local elections in which the DLP suffered a crushing defeat.

"I believe that at this time when South-North relations have entered a very important stage, no people would want a confusion and would therefore choose political stability by giving our DLP a majority in the assembly," President Kim said.

KFSB Plans Business Trip to Najin-Sonbong

*SK2009030095 Seoul THE KOREA TIMES in English
20 Sep 95 p 8*

[FBIS Transcribed Text] A host of businessmen are expected to visit the Najin-Sonbong region, the North Korean free trade zone, in mid-October, according to the Korea Federation of Small Business.

An official said that the visit is part of a business forum program on foreign investment in the Tumen River area in Yanbian, northern China.

The forum will be held Oct. 10-13, co-sponsored by Jilin and Yanbian provincial governments under the support of the United Nations Industrial Development Organization (UNIDO).

Im Chung-chu, chief of KFSB's international relations department, said that the body is recruiting members hoping to participate in the program at the request of the Yanbian government. As a result, it is not clear how many businessmen will visit the North, but many members are expected because of tour visits to the North, he added.

Some 180 persons from the United States, Japan, Hong Kong, Taiwan, France, Britain, Germany and Mongolia have already made plans to attend the forum, according to Im.

North Korean businessmen will also take part in the international forum, he said, adding that the exact number has not yet been determined.

He expects that South and North Koreans will conduct business negotiations in Yanbian as a sideline of the forum. "I believe contacts will be made naturally between the two sides."

Group Visits 'Not Desirable'

*SK2109125095 Seoul YONHAP in English
1224 GMT 21 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 21 (YONHAP) — Deputy Prime Minister Na Ung-pae said Thursday his government would not okay a plan of the Korea Foreign Trade Association (KFTA) to organize a visit by a large group of South Korean business persons to the Najin-Sonbong special economic zone of North Korea.

"It is not desirable for business persons to visit North Korea in group without any particular things to handle because politics may get involved in such a group tour," Na was quoted by his spokesman Kim Kyong-ung as telling reporters at the National Assembly.

Only on Wednesday, Kim Kyong-un, commenting on the KFTA plan, formally said the government would authorize the planned visit if only they obtain invitation and safety guarantee from North Korea.

A KFTA official said earlier that in the planned visit, participating South Korean business people were to first attend an international investment forum taking place in Yanbian, China on Oct. 10 and then to proceed to the Najin-Sonbong area of North Korea.

Issues Need Addressing First

*SK2209080695 Seoul YONHAP in English
0642 GMT 22 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 22 (YONHAP) — It will be difficult for South and North Korea to make major advances in inter-Korean economic cooperation for the time being because North Korea's political and social situation is unstable, Vice National Unification Minister Song Yong-tae said Friday.

Song also said that his ministry is in no position to allow a large group of local businessmen to visit North Korea's Najin- Sonbong Free Economic and Trade Zone on Oct. 15 because the Seoul government has to settle some issues with the North first, including the return of the Usong 86 fishing trawler and its crew seized and taken to the North last May.

The vice unification minister was speaking to a breakfast seminar of businessmen at Seoul's Hyatt Hotel entitled, "Current South-North relations and the outlook for inter-Korean economic exchanges".

"We cannot expect great advances in inter-Korean economic cooperation in the near future because of the instability of the North's internal affairs such as power transfers, aggravated food and energy shortages caused by the recent floods and the North's external strategy in which it seeks improved relations with the United States and Japan rather than South Korea," Song explained.

He, however, predicted that economic cooperation between the South and North will expand rapidly in the long-term, mainly due to the North's economic needs.

"The goal of the cooperation will be to move toward direct trade from the current indirect trading system," he said. "Government authorities will then take over the cooperation projects from the civilian bodies."

Yi Sok-pok To Assume UNCMAC Post 22 Sep

*SK2209012495 Seoul THE KOREA HERALD
in English 22 Sep 95 p 3*

[FBIS Transcribed Text] Maj. Gen. Yi Sok-pok will succeed Maj. Gen. Hwang Won-tak as senior member of the U.N. Command [UNC] Military Armistice Commission (UNCMAC) in a ceremony at the UNC compound in Yongsan, Seoul, today.

Gen. Gary E. Luck, commander-in-chief of the UNC and of the ROK- U.S. Combined Forces Command (CFC), will host an honor guard ceremony officially changing the UNCMAC senior member.

Maj. Gen. Yi, 52, is deputy chief of staff of the CFC and chief of staff of the CFC's Ground Component Command. He will continue these duties while fulfilling

the duties of the UNCMAC senior member, a CFC spokesman said yesterday.

Outgoing Hwang, 57, was the first South Korean general to have the position of the UNCMAC senior member, a post previously held by U.S. general- or flag-level officers.

But since Hwang was appointed as senior member in March 1991, North Korea has boycotted the Military Armistice Commission (MAC) meeting, rejecting the accreditation of Hwang as UNC-side senior member under the pretext that South Korea was not a signatory to the Korean Armistice Agreement which brought a cease-fire to the Korean War (1950-53).

North Korea has since made several attempts to cripple the armistice agreement and the commission, whose mission is to supervise the implementation of the armistice agreement, settle through negotiations violations of the agreement and act as an intermediary between commanders of the opposing sides.

The commission is a joint military organization, without a chairman, consisting of 10 members — five senior officers appointed by the commander-in-chief of the UNC and five others appointed jointly by the commanders of North Korean and Chinese forces.

NSP To Arrest Two Students Visiting North

*SK2109091295 Seoul YONHAP in English
0631 GMT 21 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 21 (YONHAP) — The Agency for National Security Planning (NSP) on Thursday sought arrest warrants for two female students, currently in North Korea since mid-August without the permission of South Korean authorities, who are representatives of the "National Alliance of Youths and Students for the Country's Unification", on charges of violating the National Security Law.

The students are Chong Min-chu, 22, an expelled junior from Incheon University who was majoring in architecture, and Yi Hye-chong, 20, a sophomore at Catholic University majoring in accounting.

After arriving in Pyongyang on Aug. 14 via Beijing, the two college students attended events at the truce village of Panmunjom on Aug. 15 commemorating the 50th anniversary of the nation's liberation from Japanese colonial rule, paid tribute to the Kim Il-song statute at Mansudae Hill and visited the tomb of patriots on Sept. 8, the NSP said.

"They will be investigated and brought into custody upon their return home as it has been confirmed that they engaged in anti-state acts by supporting the North's

federation unification formula at a number of mass rallies and press conferences," an NSP spokesman said.

Students Demonstrate Over Kwangju Incident

*SK2209110695 Seoul YONHAP in English
1015 GMT 22 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 22 (YONHAP) — About 2,000 students from six universities in Seoul staged street demonstrations Friday demanding punishment of those responsible for the bloody suppression of the Kwangju uprising in 1980.

Some 300 students of Korea University held a rally at their campus around noon, in which they demanded the prosecution of "Kwangju murderers" and the legislation of a special law on them. They also burned during the rally two former presidents and the incumbent president in effigy.

They then poured out to the street to stage a demonstration clashing with the riot police for about 40 minutes.

Those who staged separate similar protest rallies and demonstrations included 300 Yonsei, 400 Songgyungwan, 300 Kukmin, 500 Hanguk, and 200 Kwangun University students.

Meanwhile, leaders of the citizens committee for digging out the truth of the Kwangju incident and succession to the Kwangju spirit, called on Speaker Hwang Nak-chu at the National Assembly Friday afternoon to deliver to him the list of 280,000 citizens who gave their signatures in support of the legislation of a special law against those responsible for the Kwangju incident.

NCNP Submits Bills on Kwangju Incident

*SK2209084495 Seoul YONHAP in English
0704 GMT 22 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 22 (YONHAP) — The main opposition National Congress for New Politics (NCNP) submitted three special law bills to the National Assembly Friday which if passed will allow authorities the right to indict those involved in the bloody suppression of the May 18 Kwangju democratization movement in 1980.

The party, led by Kim Tae-chung, held a deliberation meeting at the party president's office at the National Assembly early Friday to deliberate and finally confirm the three bills. The party decided to cooperate with two other opposition parties to pass the bills at the current session of the National Assembly.

Rep. Kim Sang-hyon, chairman of the party's guidance committee, Rep. Son Se-il, chief policymaker, and Rep.

Pak Sang-chon participated in the meeting presided over by party President Kim Tae-chung.

The "May 18 Special Bill" defined the period between May 18, 1980, and February 1993, when former President No Tae-u's term of office expired, as the period during which the state could not exercise its right to indict those involved in the suppression including No and former President Chon Tu-hwan.

Because Chon, No and others involved in the May 18 case were in power during the period, it must not be considered as part of the statute of limitations, according to the law.

The bill also presented ways to recover the honor of victims who suffered under the May 18 suppression, but it did not give details on possible compensation for them.

According to the bill, the government should form a committee to deliberate the May 18 case and allow it to designate honorable victims as persons of merit, to permit convicted people in relation to the case the right to ask for appeal and to propose that the government hold commemorative events for the victims.

The Seoul District Prosecutor's Office wrapped up its 14-month-long investigation of the insurrection and other charges brought against former Presidents Chon Tu-hwan and No Tae-u and 56 others last July.

They were allegedly involved in the bloody military suppression of the May 18, 1980, Kwangju citizens' uprising, but the prosecution concluded that it had "no power to prosecute those charged."

Meanwhile, the "Bill on the Statute of Limitations" stipulated that those who commit crimes damaging to the Constitution, including rebellion, foreign invasion, revolt and acts benefiting an enemy of South Korea, can be punished anytime regardless of a statute of limitations.

The "Special Prosecutor Bill" enables the president of the nation to appoint a special prosecutor under the recommendation of the Korean Bar Association for certain cases and for the corruption cases about which the National Assembly decides to ask the president to invoke his right to appoint a special prosecutor.

Special prosecutors can ask a prosecutor general, commissioner general of the National Police Administration and other related organizations to submit evidence for review, as well as command investigators including dispatched prosecutors, police officers and other public officials, according to the bill.

Meanwhile, another opposition Democratic Party is actively supporting the special bills. However, the minor opposition United Liberal Democrats (ULD), a conservative opposition party, has not yet decided whether it will back them or not.

Editorial Claims Chaebol 'Controlling' Media

952C0160A Seoul MEDIA ONUL in Korean
28 Jun 95 p 3

[FBIS Translated Text] The diagnosis that the "logic of capital" deeply controls our media is not new. Unlike the political power which used primitive methods to control the media during the days of the military regime, the conglomerates [chaebol], with their rapidly expanding influence, are using a more refined and effective method of controlling the media in the age of "culture and democracy."

The recent controversy over an "industrial espionage" dispute between Samsung Heavy Industries and Kia Motor Company is of particular interest, because it vividly shows the extent to which our media is dominated by the chaebol.

The case of a Samsung Heavy Industries employee who sneaked onto rival Kia Motor Company's premises, and near the delivery warehouse at that; was caught by a Kia security guard photographing the latest models with a telephoto lens; and who had his film confiscated is certainly grounds for charging "industrial espionage."

Thus, no matter how you look at it, it is incomprehensible that this incident, which naturally should have been exposed, was completely ignored in our media. What is even harder to understand is the fact that although an article related to Samsung Heavy Industries was released in the early edition and some newspapers gave it serious coverage, in the city editions it was abruptly pared down or, worse, it disappeared altogether.

Even newspapers that for a week had covered their pages with articles exposing Samsung Group's irregularities and strongly criticizing the chaebol's ownership of the media with regard to the CHUNGANG ILBO's recent self-promoting advertisement reported the incident in one paragraph or not at all.

Does this not clearly show that our media holds double standards in judging the value of articles and that the standards are superficial?

The logic of the chaebol, which try to make money by stealing technology, not only goes beyond the normal acts of low-class capitalists, but is without a doubt a criminal act that tramples even the minimal morality of the capitalist economic order.

The fact that most of the media was silent, or reluctantly reported the incident in one paragraph despite ample evidence of industrial espionage, is clear proof that our media is engrossed with advertising revenues and has base characteristics that cannot accept even the common sense of the capitalist economic order. The Samsung Group has a record of exerting pressure. Last March, reacting to a press article, Samsung threatened to pull a planned advertisement from the newspaper [that had run the article].

If dependence on advertising continues to deepen in this manner, and if the editing dances to the music of advertising or capitalist logic, not only does this clearly violate the ideals of a democratic press, but it is a rejection of even the basic sense of press freedom.

Moreover, in contrast to the political power's control of the media in the past, although "capital" is not visible, strict precautions are necessary against the "hidden power" that decisively controls editing. It is time to gather "wisdom" from both inside and outside media circles to reform the Korean media, which is being buried by the logic of base commercialism.

Rules on Travel to Cambodia, Laos, Cuba Changed

SK2209082795 Seoul YONHAP in English
0734 GMT 22 Sep 95

[FBIS Transcribed Text] Seoul, Sept. 22 (YONHAP) — Beginning Saturday, South Koreans will be allowed to visit Laos, Cambodia and Cuba simply by reporting their plans to the Foreign Ministry or its overseas missions without waiting for permission from the government, a Foreign Ministry spokesman said Friday.

The Foreign Ministry will also allow overseas Korean compatriots to stay in the country for up to two years at any one time.

Those amendments to the passport law will go into effect Saturday, according to the ministry.

The ministry, however, will continue to limit to one year the amount of time overseas Korean residents who did not fulfil their military service requirement can remain in the country.

Oil Spill Near Koje Island 'Spreading'

SK2209031695 Seoul YONHAP in English
0221 GMT 22 Sep 95

[FBIS Transcribed Text] Pusan, Sept. 22 (YONHAP) — Oil that spilled from a damaged tanker is spreading on the South Sea [Korea Strait] near Pusan and Koje Island.

The Pusan Maritime Police said Friday that it discovered oil, which appeared to be engine fuel, floating on the sea in near the port of Okpo on Koje Island, about 30 kilometers southwest of Pusan.

The 1,600-ton oil tanker, Yuil-ho No. 1, operated by the Yuil Marine Transport Co., hit a rock Thursday morning in seas about 20 kilometers southwest of Pusan while carrying 2,800 tons of Bunker-C oil.

The ship completely sank later that day while being towed by the Maritime Police and the Navy.

Maritime Police said the Bunker-C oil from the sunken ship has created a slick 6 km long and 1 km wide in seas

between Pusan and Koje Island as of Friday morning, adding that a strong wind is quickly spreading the oil.

Meanwhile, maritime police officials estimated that all 20 tons of light oil which the damaged ship was using for fuel has leaked from the vessel, while a considerable portion of the 450 tons of Bunker-C oil in the damaged No. 4 tank of the ship's hull is believed to have already escaped.

Maritime Police have deployed 31 ships including 16 oil-removing vessels to the scene to help with the recovery and clean up efforts.

Thailand

Reportage on Drug Inquiry Commission Continues

Chuan Criticizes Panel Chief

BK2209031795 Bangkok THE SUNDAY POST
in English 17 Sep 95 p 3

[FBIS Transcribed Text] The chairman of the public hearings committee, Mr Thanat Khoman could be sued for remarks he has made about former Democrat leader Phichai Rattakun, according to Mr Chuan Likphai.

Mr Chuan was referring to an interview in which Mr Thanat said the Democrat party was made up of "foul-mouthed" people and that a former party leader had embezzled money from party donations.

Mr Chuan said he believed the remark was intended to refer to Mr Phichai, against whom unsubstantiated accusations of this kind were made when he was Democrat leader.

Mr Thanat had been at odds with Mr Phichai since 1979, when Mr Phichai succeeded him as party leader, he claimed.

He said Mr Thanat's remark was libellous and Mr Phichai could sue him.

"It's a personal matter between Mr Phichai and Mr Thanat. But I've never seen Mr Phichai cheat anyone. At that time he was a successful businessman who entered politics," he said.

Mr Chuan said he did not think the image of the party had been tarnished by Mr Thanat's remarks, because Mr Thanat was no longer a Democrat member.

The Democrat leader said Mr Thanat was not the Government's original choice to head the public hearings committee.

The Government first approached former interior minister Phao Sarasin saying that Democrat deputy leader Banyat Banthathan was also on the committee, but Pol Gen [Police General] Phao turned down the request.

Mr Chuan conceded that Mr Thanat's standpoint would benefit the Government and would fulfil its objective for setting up the committee — to clear Chat Thai deputy leader Watthana Atsawahem and adviser Narong Wongwan of the United States' narcotics trafficking allegations.

The Government knew well that Mr Thanat, known for his frequent attacks against the US, would accept the job, he said.

It would not be surprising if the committee ruled that Mr Watthana and Mr Narong were not guilty as alleged

and that the Government had the right to appoint them to the Cabinet anyway, Mr Chuan said.

[Bangkok BANGKOK POST in English on 20 September carries a letter by Thanat Khoman on page 4 replying to the above story. The letter reads: "Sir: Exercising my right of reply, this is what I have to say regarding Khun Chuan's declaration as published in your newspaper on September 17.

"This gentleman is known to be an expert, or either a knowledgeable person, in foreign affairs who prided himself on what he called 'quiet diplomacy', which is utterly negative and amounts to 'sleeping diplomacy' which dragged down the country an world standing.

"He claimed that I accepted to serve on the Commission of Enquiry to give vent to my anti-American attitude. This is belied by what the former American ambassador, David Lambertson, wrote: '...I have great respect for the important role you have played and continue to play in this country and in US-Thai relations...'. Copies of this letter and my reply are herewith enclosed. Lately, also, the US Charge d'Affaires has declared his willingness to cooperate with the Enquiry Commission.

"On the other hand, under the previous administration, foreign interference in domestic affairs of Thailand was allowed to take place and unsubstantiated accusations were used in Parliament during censure debates against the Opposition.

"That explains the partisan paranoid trepidation against the Enquiry Commission. It is the fear that the responsibility for allowing foreign interference by the use of unsubstantiated accusations in Parliament for political purposes will be assessed against the administration under which those actions took place.

"As to the threat of legal action, I stand ready to face it. That will enable me to bring to public knowledge a number of facts which the other side might not wish to have posted.

"In any case, the remarks were made in an impersonal manner. If anyone feels that they fit his or her specifications, I cannot help it."

U.S. 'Conspired' With Ex-Government

BK2209022695 Bangkok THE NATION in English
22 Sep 95 pp A1, A3

[Report by Phayia Khamhaeng-ngam and Rattawali Mahaphonsirikun]

[FBIS Transcribed Text] Drug inquiry chief Thanat Khoman claimed yesterday that the U.S. embassy has

admitted Washington conspired with the Chuan government in raising narcotics charges against top Chat Thai politicians during a censure showdown in Parliament.

Thanat Khoman made the bombshell allegation after a three-hour meeting with U.S. charge d'affaires Ralph Boyce.

"From what Boyce said, the Chuan administration asked the U.S. to allege that some Thai politicians were involved in drug trafficking. This way the Chuan government could exploit the allegation for political gain during the no-confidence debate," Thanat said.

The U.S. embassy yesterday declined to comment on Thanat's statement.

Thanat also claimed opposition leader Chuan Likphai had refused to debate the drug allegations issue with him on television because he was fearful this information would be released.

Thanat is chairing the commission of inquiry established by Prime Minister Banhan Sinlapa-acha to look into U.S. allegations that Thai politicians had links with drug traffickers.

Chuan said he was surprised by Thanat's charges: "Me? Seeking U.S. help?" he asked.

Democrat Phichet Phanwichatkun said the only contact with the embassy then was made through the Phalang Tham Party, which at the time controlled the Foreign Ministry and is now a partner in the Chat Thai-led coalition.

The Thanat commission has sparked controversy, with critics claiming it was set up solely to clear senior Chat Thai members Watthana Atsawahem and Narong Wongwan, who have both been refused entry to the U.S..

Democrat Party secretary-general Sanan Khachonprasat later lashed out at Thanat. He said the U.S. would never accede to an illegitimate request from another country.

Sanan also took Thanat to task for describing as "liars" people who claimed his panel was intended to whitewash the Chat Thai politicians.

"It is he who is the liar," said Sanan. "It is him (Thanat) the U.S. will refuse entry.

"The U.S. would never accept such a (illegitimate) request. It is for the U.S. to decide whether a person is allowed to enter that country. Neither Khun Chuan nor any other party members had any involvement," Sanan stressed.

Sanan added that the public should not pay heed to Thanat, who he said would be better occupied staying home and taking care of his grandchildren.

Prasong Sunsiri, a foreign minister in the Chuan government, also denied Thanat's allegation.

He said Watthana had asked the Foreign Ministry to find out why the U.S. rejected his visa applications. "The U.S. has replied to the Ministry's request on the Watthana matter. The public knows the details already," Prasong said.

"We have to listen carefully. Don't believe everything he said. I don't know exactly what the topic was during the lunch between Thanat and Boyce, but I believe Thanat's statement is groundless. And the U.S. charge d'affaires has only just been assigned to Bangkok."

During debate on a motion of no confidence in the Chuan government, Prasong asked that the House go into closed session, barring the public and the press, so members could discuss the U.S. allegations against Watthana.

Thanat, a former Democrat Party leader, recently accused some senior Democrat Party members of embezzling funds after the party criticized him for accepting the chair of the inquiry panel. Sanan yesterday said he would take legal action against Thanat on that claim.

Washington has refused requests to back up the allegations against Watthana and Narong. Thanat has renewed the request.

Prasong announced recently that when he was foreign minister the U.S. government indicated it would provide information or evidence relating to its drug allegations only if criminal charges were filed against Watthana.

A member of Thanat's commission, former Supreme Court president Banyat Suchiwa, has said he would resign if the panel attempted a whitewash. He has also criticized the guidelines under which the inquiry was set up, describing the order establishing the 12-member panel as very broad and ambiguous.

The order did not identify who the committee had to investigate or on whose behalf, the allegations, or even which countries had made the charges, Banyat said.

Thanat said yesterday anyone who wanted to quit the commission could do so but should submit his resignation to the prime minister, who set up the inquiry.

Thanat hit back at allegations that the commission's purpose was to clean up the image of Watthana and Narong. The claims were groundless and should be regarded as "lies", he said.

"The commission has been set up to dig into the facts, but some people have tried to extort the facts and divert the facts from the people," he said.

Conspiracy Theory Denied

*BK2209145295 Bangkok Radio Thailand Network
in Thai 1200 GMT 22 Sep 95*

[FBIS Translated Text] Chuan Likphai, leader of the Democrat Party and the opposition, says the U.S. Information Service has already denied the statement of Colonel Thanat Khoman, chairman of the public hearing committee. Colonel Thanat was reported to have said during an interview with journalists that the previous government asked the United States to accuse certain politicians of involvement in narcotics trafficking.

[Begin Chuan recording] Well, I don't know which language they were using during the conversation and whether they had their interpreters. They said one thing but, the statement said something else. Last night, Dr. Surin and I tried to contact the U.S. charge d'affaires. After a conversation with him, we realized that what had been reported today are not facts. As a matter of fact, the charge d'affaires explained to Khun Thanat what really happened.

On the claim that the previous government was an accomplice of the U.S. Government and that it asked the U.S. to make accusations against Thai nationals, I think not even a government of the past dictatorship, in which Thanat himself was a minister, would have been able to do that, not to mention my government which was a democratically elected government. No country in the world would be able to do that, and no country would cooperate in such a conspiracy. [end recording]

Former deputy Foreign Minister Surin Phitsuwan said during an interview at the parliament building this afternoon that he was surprised how the entire story came about.

[Begin recording] [Surin] It could be a misunderstanding, or a wrong line of communication. Well, I don't know. However, as far as I can say, nobody conspired with anyone. Nobody asked anybody to make an accusation against anyone. What happened was that the then foreign minister was the target of a no-confidence debate in parliament. He was blamed for failing to protect the rights and honor of the accused Thai citizens. It was something like that. I hope you still remember it. There was a call to seek more information [from the United States]. The then foreign minister, Prasong Sun-siri, told the Foreign Ministry to send a message asking for more information. There was nothing more than that. Nobody conspired with anybody or asked anybody to

accuse anybody. By the way, the embassy has already explained the issue.

[Question indistinct]

[Surin] I don't know. I was only surprised how the news came about, saying there was an accomplice or a request about making accusations. This is impossible. [end recording]

Papers Report Thanat Accusations

BK2209081995

[FBIS Editorial Report] Five Bangkok Thai-language dailies—THAI RAT, SIAM POST, NAEO NA, KRUNGTHEP THURAKIT, and MATICHON—carry reports on 22 September on remarks by Thanat Khoman, chairman of the committee investigating U.S. drug allegations against Thai politicians, in which he accused the former Chuan Likphai government of conspiring with the United States to publicize these allegations.

THAI RAT carries a 350-word report on pages 1 and 17 entitled: "Thanat Exposes the Chuan Government for Conspiring With U.S. on Drug Charges." The paper says: "Colonel Thanat Khoman had lunch yesterday with the U.S. charge d'affaires at a restaurant on the top floor of Amarin Plaza in Ratprasong [area in Bangkok]. The meeting lasted about an hour. Col. Thanat told reporters that he had lunch and discussed the drug charges with the U.S. charge d'affaires. It is clear that the drug charges against these politicians came about when the previous government asked the United States to accuse certain politicians of involvement in drug trafficking. The accusations could then be used for political gain in the parliament."

Thanat is quoted as saying: "It is clear. The charge d'affaires, who had lunch with me, confirmed that the previous government asked the United States to make accusations against some people so that the accusations could be used to counter the no-confidence debate at the time. The U.S. charge d'affaires confirmed that the previous government made the request."

The paper also cites remarks by Democrat Party Secretary General Sanan Khachonprasat criticizing Thanat. He is quoted as saying: "It is Thanat who is the liar. He is the one to whom the United States will refuse entry."

NAEO NA carries a 300-word report on pages 1 and 9 entitled: "Thanat Claims: U.S. Charge d'Affaires Discloses That Democrat Party Pushed for Exposure of Drug Charges." The paper cites Thanat's remarks in a radio interview following his lunch with the U.S. charge d'affaires: "Regarding the report that some government

officials appointed to the Commission of Inquiry want to resign, he said that anyone who wants to quit the commission can do so but they should submit their resignation to Prime Minister Banhan Sinlapa-acha, who set up the commission."

The report adds: "Thanat also disclosed that during lunch with the U.S. charge d'affaires, they discussed the charges against Thai politicians for involvement in drug trafficking. It was confirmed that the charges were raised when the Chuan Likphai government asked the United States to accuse some opposition party politicians of involvement in drug trafficking so the Chuan government could use the allegations to counter the no-confidence debate. He believes this is the reason Chuan does not dare accept his challenge to appear on television to debate the issue."

SIAM POST carries a 300-word report on pages 1 and 16 entitled: "Thanat Claims: United States Implicates Chuan for Making Up False Information on Drug Issue for Own Survival." The paper says that Thanat had lunch with the U.S. charge d'affaires "to seek information from the United States on the drug charges against Thai politicians." The story repeats the allegation that Chuan asked the United States to make the drug charges.

Furthermore, Thanat is quoted as saying that "allegations that the commission's purpose is to clean up the image of Watthana Atsawahem and Narong Wongwan are groundless lies. The commission was appointed to dig into the facts, but someone is trying to distort the facts and hide the facts from the people."

KRUNGTHERP THURAKIT carries a 300-word report on pages 17 and 18 entitled: "Thanat Implicates Chuan for Masterminding." The paper quotes Thanat as saying that "from what the U.S. charge d'affaires said, it is clear that the accusations were raised when the previous government asked the United States to allege that some politicians were involved in drug trafficking so the government could exploit the allegations for political gain and counter the no-confidence debate."

MATICHON carries a 150-word report on page 12 entitled: "Thanat Reveals the Chuan Government Was Using the United States To Accuse Politicians of Drug Trafficking." The story repeats Thanat's allegation that the Chuan government asked the United States to accuse certain Thai politicians of involvement in drug trafficking.

Banhan: No Pressure From Any Side

BK2209110695 Bangkok Radio Thailand Network in Thai 0530 GMT 22 Sep 95

[FBIS Translated Text] The prime minister told the commission of inquiry to feel at ease in its work because there will be no pressure from any side. Moreover, no time limit has been set for the work to be completed because it may cause carelessness.

Prime Minister Banhan Sinlapa-acha granted an interview to reporters after attending the first meeting of the commission of inquiry this morning.

[Begin recording] [Banhan] This committee can feel at ease in doing its work because there will be no pressure from any side. I spoke a moment ago to Thanat Khoman, Banyat Suchiwa, and several members of the committee. They all are willing to perform this task.

I told them to coordinate with the secretary to the prime minister should there be any problem. I gave them a broad scope for their work, and I will not meddle in it.

[Unidentified correspondent] [question indistinct]

[Banhan] Well, we have not yet fixed it, because this work does not require a fixed time. It deals with information and details that are fairly complicated. If a time frame is established, it may cause carelessness. Therefore, no time limit was set in the instructions. The committee members realize, however, that they will have to work continuously. A subcommittee will have to be set up to gather all the facts. [end recording]

Justice Minister Comments

BK2209101195 Bangkok Radio Thailand Network in Thai 0530 GMT

[FBIS Translated Text] Regarding Colonel Thanat Khoman's disclosure that the U.S. charge d'affaires to Thailand said the previous Thai Government asked the United States to accuse some Thai politicians of involvement in drug dealing in other countries, Justice Minister Police Captain Chaloe Yubamrung said he is confident this information is true.

[Begin Chaloe recording] I am confident that he must have been informed of the true story by the U.S. side. That is why he courageously gave an interview and made a statement after having a meal with the U.S. charge d'affaires. The conversation during the meal was about what the former government did in connection with the accusations on the involvement of politicians in narcotics trading. Let us ask whether he has any prejudice against the Democrat Party. Let us understand in a neutral and fair manner that should he have prejudice, it should be on other issues. On this

issue, I can foresee that there must be some reaction from the Democrat Party. Its party members must make some statements. And this would lead to proving what the truth is. [end recording]

At the same time, Democrat Party spokesman Aphisit Wetchachiwa told reporters that he has checked with the U.S. charge d'affaires and it was confirmed that what Colonel Thanat Khoman said was not true. It is likely that the U.S. Embassy would hold a news conference to deny it later. Regarding this, it would be unbelievable for the Thai Government to force the United States to act in accordance with its request.

[Begin Aphisit recording] I would like to present the facts on what happened at that time to give a clear picture that the accusation of the chairman of the commission of inquiry cannot be true. I would like to say that the fact that the Thai Government is able to direct or force the U.S. Government to do anything is unbelievable. In fact, all the events occurred in the respective order as follows: The Narong Wongwan case took place before the previous government came into existence. It took place in March 1992. The later cases of Thanong [Siriprichaphong] and Watthana [Atsawahem] took place in late May and June 1994. The two politicians were denied entry visas to the U.S. After the United States informed the Thai Foreign Ministry about the visa denials, as these people were important figures in Thai politics, the problem arose. As you may remember, leaflets presenting information about the issue were distributed. The Foreign Ministry therefore asked the United States for details and reasons on the matter. All these things happened before the opposition bloc submitted a no-confidence motion against the then foreign minister. The U.S. replied, citing that it considered them to be important people. After receiving such information from the United States, the Thai Foreign Ministry presented it to a closed door meeting of the House of Representatives. [end recording]

Colonel Thanat Khoman, chairman of the commission of inquiry, granted an interview to reporters after the first meeting of the commission today, saying that the previous government only asked for the facts related to the visa denials of certain Thai politicians.

[Begin recording] [Thanat] That is what the U.S. ambassador [as heard] said, not I. He said the U.S. Government, the U.S. Embassy, and the U.S. ambassador received a request to present any accusation, if there were any. That is all. I repeated what the charge d'affaires told me. I did not say it myself.

[Unidentified reporter] That does not mean that the previous government asked them to do so, does it?

[Thanat] The previous government asked them to present any accusations they had.

[Reporter] Asked them to show...

[Thanat, interrupting] According to the evidence we saw today, it was about the request for facts about not granting visas. That is it. [end recording]

Secretary Defends Watthana Against Drug Charge
BK2209134495 Bangkok KRUNGTHEP THURAKIT
in Thai 22 Sep 95 pp 17,18

[Exclusive interview with Dr. Man Phatthanothai, private secretary of Deputy Leader of the Chat Thai Party Watthana Atsawahem, given to Narongsak Bunyaphat prior to the first meeting of the Inquiry Commission, scheduled for 22 Sep — place and date not given]

[FBIS Translated Excerpt] [Narongsak] There has been a proposal that the problem of our politicians being accused of involvement in drug trafficking be tackled under the Mutual Legal Assistance Treaty [with the United States].

[Man] The incident broke over a year ago, and the document was shown to parliament. It was the U.S. reply to the foreign minister who had sought information. As the damaged party, we sought the Foreign Ministry's help to act as mediator to protect the honor of a Thai politician. The issue was played up in all the media. It was only a piece of paper from the United States accusing us. They upheld their belief that Watthana [Watthana Atsawahem, deputy leader of the Chat Thai Party] has been involved in drug trafficking for more than 20 years. We asked both parliamentarians and nonparliamentarians to request the facts from the United States, but, from that day until now, we have received nothing.

[Narongsak] What about the procedures under the Mutual Legal Assistance Treaty as proposed by the then Foreign Minister Squadron Leader Prasong Sunsiri?

[Man] We welcome that. There is no problem with Watthana. He wishes for something to be done. But, what are you talking about since you have gotten no evidence as proof. He should have done something when he was in the government if he had wished to. It has been a long time. Suppose I don't want you to enter the country because you have an ugly nose, well, I am not entitled to do that. You have your right. But, if you are rejected because you are an AIDS carrier, are you going to die? Well, I cannot tell you. This is what Thanat is going to do. It has nothing to do with Prasong. What concerned Prasong was just the accusation. But, if you insist on saying that I have been involved in drug trafficking, then you have to prove it.

I think the United States must have done something already, if it really had substantial evidence. It has already been a year now. You should already have given up your suspicions. This is the reason why Watthana has asked for a visa to go and report to the authorities there. We are not afraid because we have done nothing wrong. I dare challenge the United States. Nobody discussed this matter in parliament, the country's highest institution. There has been no harsh criticism. If there really is evidence, they must have already arrested and prosecuted him. There is no need to make a fuss. It is simple. Po Pet (Thanong Siriprichaphong) never vilified them, but spent the money on buying real estate there. They want him.

Watthana vilified them in parliament, and the news was reported worldwide. He insulted those who accused him without proof.

In fact, the United States could have summoned him for a private discussion. He is a well-known figure and he should be given a chance to explain those suspicions. If they believe us, they stamp our papers. If they do not, well, do not stamp our papers. If an American were denied a visa from the Thai Embassy because he had AIDS, our embassy would have to call him in to give him an explanation for the sake of etiquette. The person could seek to contest it by producing a document on a blood test to prove that he does not have the virus. This should be the procedure to follow.

[Narongsak] Is he going to apply for a visa?

[Man] There is no need. They will refuse him again. They have their regulations to follow. The problem now is that they are repeating the same old accusation about his being involved in narcotics trafficking for 20 years. Well, Watthana is a well-known figure. He is deputy leader of a political party and has been elected as MP for eight consecutive times. No Thai Government has paid attention to the problem, especially the previous government. The present government therefore has to appoint a panel to check whether the charge is substantive. Drug trafficking, however, is outbound from Thailand, be it marijuana or other types of narcotics. Therefore there is no evidence available in Thailand. So what do you want us to do? Even the mass media or the society cannot answer this?

The task assigned to (Special) Colonel Thanat Khoman is to find evidence for an accusation that is without proof against a certain person, something that is itself a crime. It has been a year, and no evidence has been produced. So who is right and who is wrong? I would like to know.

[Passage omitted about purposes of Thanat's committee]

[Narongsak] The United States has indicated that procedures under the mutual criminal assistance treaty must be carried out via the Interior Ministry.

[Man] There is nothing criminal. They are just trying to link it with a criminal case. I have been trying to make it clear. This is not a criminal case and it cannot be made into one. What is the charge in a criminal case, please explain to me. Where is the evidence to say that the person had been engaged in drug trafficking. Nothing. What on earth is a criminal case? Prasong just had a piece of paper. He showed it and talked to you about it and you believe him.

[Narongsak] The prime minister, in his capacity as interior minister, has full authority. Why has he not taken that said channel?

[Man] You have read that piece of paper. It was assumed that he had been engaging in drug trafficking for 20 years. Was that enough to prosecute him? Was it enough to criminally charge him?

[Narongsak] The United States was firm in its belief.

[Man] They should have sued him a long time ago if they had the evidence. They said they are ready to supply Thailand with information if Thailand would take legal action. That means they do not have substantive evidence. Otherwise, it would have taken the case to court itself. Once the case is accepted by the court, the treaty would then be useful. With enough evidence, they would be able to seek an extradition. The case of Po Pet is at this level. Po Pet has not been convicted yet. He has only been implicated. His case has been forwarded to the Thai prosecutor. The prosecutor was seeking his extradition through the courts. That's the correct way to do it. Do you understand? Don't pass the burden on to Thailand. Thailand cannot supply any evidence because the offenses of trafficking heroin and marijuana were committed in the U.S. [passage omitted]

Defense Minister Views Purchase of U.S. Tanks

*BK2209050295 Bangkok BANGKOK POST
in English 22 Sep 95 p 1*

[Unattributed report]

[FBIS Transcribed Text] Defence Minister Chawalit Yongchaiyut yesterday attempted to justify the Government's decision to spend 1.8 billion baht on second-hand American tanks.

Gen Chawalit claimed that the 101 used M60-A3 tanks kept in U.S. war reserve stock were still in the best possible condition.

He was trying to clear doubts about the Army's judgment expressed by Sunai Chunlaphongsathon, a Chat Phatthana MP for Nakhon Sawan.

Mr Sunai said during the budget debate that he could not understand why the Army was not buying new tanks.

He said he would like to know if the tanks which were to be procured were the same model as those that had been pushed into the ocean in the U.S. early this week, as part of that country's reef conservation programme.

"I just want to know: is it the same model? Are we trying to buy the model that they're trying to dump into the sea?"

This comment drew laughter from several opposition MPs.

The MP held up a picture published in several newspapers showing a U.S. Army M60 tank being pushed into the ocean south of Long Island, New York.

But Gen Chawalit said the Government got a good price for the tanks which, he insisted, were in the best possible condition as they had been properly maintained in U.S. war reserve stock.

Chawalit, a former army commander, said 90 per cent of the procured tanks would cost the Government five million baht each. The remainder would cost 17 million baht each.

The minister pointed out that the deal had been made internally in order to get the best price from the American government. He did not answer Sunai's question about whether the tanks were the same model as that shown in the picture.

Thailand is buying 101 M60-A3 tanks from the U.S.. The tanks are from those deployed in Europe and will not be taken back to the U.S.. The Army plans to deploy a number of them at the Second Cavalry Division in Bangkok.

Gen Chawalit also defended the Ministry's proposal for a defence budget of 156,000 million baht for next fiscal year.

He said only half of the funds that had been asked for would be invested in modernising the Armed Forces.

Gen Chawalit said that although there was no major threat for the time being, the Armed Forces had to be kept in readiness.

The modernisation plan was essential to protect the country's sovereignty. It was in the national interest.

He indirectly defended the Navy's plan to procure two diesel attack submarines.

"How much should a man with a 100-million-baht house spend on a fence?" he asked.

It was necessary for the Navy to modernise its fleet. It had a duty to defend the country's underwater resources and protect shipping routes in the Gulf of Thailand, which was "the national blood line".

Gen Chawalit urged the public not to worry about outside security threats, saying the Armed Forces had the means to counter any such threat.

Navy Proposes Minesweepers in Place of Submarines

BK2109043095 Bangkok BANGKOK POST in English 21 Sep 95 p 10

[Unattributed report]

[FBIS Transcribed Text] The Royal Thai Navy has proposed the acquisition of two minesweeping ships to replace its earlier proposal to purchase two diesel-powered submarines which was rejected by the Government recently a military source disclosed yesterday.

The source said the two minesweepers would cost the Navy about three and a half billion baht and could be procured in the next fiscal year.

The source said the Navy would again propose its plan to procure two medium-size conventional-powered submarines next year.

It is also hopeful that the Government would support the Navy's modernisation plan which would cost about 17 billion baht, the source added.

Defence Minister Chawalit Yongchaiyut said earlier that he had no objection to the Navy's submarine acquisition plan, adding that the proposed procurement plan could not be made this year as the Navy had to readjust its expenditure programme.

He said the submarine procurement plan was in line with the Navy's development plan for defensive weapons combining high technology and stealth.

A Singaporean defence expert told a seminar at Defence Asia '95 last week that there would be 22 submarines operating in the region by the year 2010.

Tianjin Science Delegation Seeks Cooperation

BK1609142395 Bangkok ZHONG HUA RIBAO in Chinese 13 Sep 95 p 29

[FBIS Translated Excerpt] Ding Jiajun, Vice Chairman of the Thai-Chinese Chamber of Commerce [TCCC] received a science and technology delegation from Tianjin, China at the meeting hall of the TCCC at

1030 on 11 September. The delegation is led by Li Zhizhen of the Science and Technology Commission of Tianjin. [passage omitted on names of other delegation members]

Delegation Chief Li Zhizhen briefed Vice Chairman Ding Jiajun on the purpose of the delegation's visit to Thailand. He said the delegation had signed several co-operation agreements with Thai businessmen and government agencies. The courtesy call on the TCCC is aimed at seeking more cooperation partners. Vice Chairman Ding Jiajun welcomed the visit by the delegation. He said the TCCC has served as a link for trade contacts between Thailand and China, and has wholeheartedly served industrial and business delegations from China. Talks between Li Zhizhen and Ding Jiajun were held in a cordial atmosphere until 1100.

Ministry Moves To Reduce Yen Debt Exposure

BK2109084295 Bangkok BUSINESS DAY in English 21 Sep 95 p 1

[Report by Supharat Chuayaorachon]

[FBIS Transcribed Text] The Finance Ministry is reducing the amount of the country's yen currency debt exposure from 50 percent to 30 percent, swapping it to the US dollar, said a ministry source.

The source added reducing the amount of debt in yen by currency swapping would be the most appropriate strategy to lessen the additional burden caused by the expected rise of the Japan's currency in the future.

The source said that since the yen had started to soften, the Finance Ministry had already swapped around \$200 million of the country's debt in this way.

The source said the amount of the country's foreign debt in yen accounted for half of its total foreign debt of around \$16 billion (395 billion baht), as of the end of May this year.

Despite the yen softening as a result of Japan's internal economic problems, the swap of yen loans was needed, said the source.

The source explained that there were projections by local and foreign economists that the value of the yen would continue to depreciate for another 3 to 5 years before it rises again.

The source added that this makes the yen loan swap to US dollar logical at this stage where the dollar's value is not soaring.

The loans came from the World Bank, Overseas Economic Cooperation Fund (OECF), Asian Development Bank (ADB) and commercial loans.

Insurance Bodies Protest Unlimited Licensing

BK2209053995 Bangkok BANGKOK POST in English 22 Sep 95 p 10

[Report by Walailak Kiratiphapthong and Saman Suttho]

[FBIS Transcribed Text] The country's two most powerful insurance bodies are to submit a joint letter to the Commerce Ministry asking it to review its policy of issuing unlimited numbers of insurance licences.

The Thai Life Assurance Association and the General Insurance Association will make their protest official today.

They argued that the policy had a strong adverse effect on existing firms, especially where the shortage of qualified personnel was concerned.

Sukhathep Chansichawala, president of both Thai Prasit Insurance Co and the Thai Life Assurance Association, which has 13 members, said the two bodies were in favour of liberalisation only if it was done gradually.

On August 17, Thai Life had suggested that the Ministry issue new licences periodically, for example allowing five new companies in the first five years of opening up the market.

The Ministry should also only accept applications where executives on the list had officially resigned from existing companies.

Sukhathep said yesterday that such suggestions would be resubmitted to the minister.

He said that if the Ministry issued more than five new life insurance licences, the industry would face a major problem over the shortage of qualified workers. Currently only a few universities and lecturers run insurance courses.

To date, 22 applicants have applied for new licences, of which 15 are for the life insurance business.

"It is surprising to me that large numbers of applicants are heading for life insurance. I wonder how they will be able to build up qualified personnel to serve the industry effectively without recruiting from existing companies," Sukhathep said.

Athon Thittiranon, president of the Thailand Insurance Institute, said that at the moment the industry was failing to produce enough qualified people to meet demand.

Only 28,000 staff workers are employed by the life insurance industry with average growth of 10 per cent, while the industry reports growth of about 20 per cent a year.

He said his institute, which was founded ten years ago, had trained only 400 people sent by insurance firms. They mostly shifted to work for other financial institutions for better money.

"I see a serious problem for the workforce when more newcomers enter the industry. The Government should devise a proper plan to cope with the situation," said Mr Athon.

A source in the industry said the policy was the legacy of the previous government.

He said he felt sorry for Mr Chuchip, who had to screen qualified applicants before asking the Cabinet for a final decision on issuing licences.

The critical problem in the screening process was that many applicants had all the necessary qualifications including registered capital, policy and management team, and so it was hard for the screening committee to take one out.

He said that some officials on the screening committee which is chaired by the permanent secretary at the Commerce Ministry, had expressed concern that they might be sued if they screened out any applicants, as they were mostly from big business groups.

The CP [Charoen Phokkhaphan] Group, Saha Group Sahawiriya, and finance and securities firms were among the 22 applicants for new licences.

June 7 to October 7 is the period for applications for new insurance licences.

The source said that if the Government followed the suggestion of the two insurance bodies and limited the number of licences, this might open up opportunities for some applicants to bribe officials.

There was a rumour going round the market that some applicants were asked for between 30 and 50 million baht from some politicians to help them get licences.

Sarayut Phasuwanitphong president of the General Insurance Association (which groups 67 non-life insurance companies) dismissed this suggestion, saying it was unwise to make such payments when licence issuing was unlimited.

"Only insiders know that the licences will be issued in certain numbers — then they ask for money," he said.

Vietnam

Do Muoi, Vo Van Kiet Receive Russian Minister

BK2109155795 Hanoi VNA in English
1457 GMT 21 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept. 21—Party General Secretary Do Muoi and Prime Minister Vo Van Kiet received here today on separate occasions Russian Minister of Energy Mr. Yuriy Shafranik, who is now on a working visit to Vietnam.

While talking with Party General Secretary Do Muoi, Mr. Shafranik appreciated the great achievements recorded by the Vietnamese people in their current renovation, particularly in the fields of energy and oil and gas. He affirmed the Russian Government's determination to continue pushing up its cooperation with Vietnam, enhancing investment in programmes agreed between the two countries, and helping in personnel training for the oil and gas as well as other industries.

Speaking to his guest, the Vietnamese party leader expressed the Vietnamese Party, state and people's gratitude to the former Soviet Union in the past and the Russian Federation at present for the precious assistance to the development of Vietnam's Energy and Oil and Gas Industries. He wished for further consolidation and enhancement of the traditional friendship, and multifaceted cooperation between the two countries.

To Prime Minister Vo Van Kiet, Minister Shafranik expressed his desire for further cooperation and investment in Vietnam in the field of energy. He said Russia's energy industry would enter into joint ventures with Vietnam with a view to constantly and effectively develop the cooperative ties between the two countries.

Prime Minister Vo Van Kiet welcomed the Russian energy delegation's current Vietnam visit and considered it as an active manifestation of the bilateral cooperation.

The prime minister said Vietnam wishes to befriend with all countries, to strengthen the cooperative and friendly relations with all countries, and always attaches importance to its friendship and cooperation with Russia. He highly appreciated the Russia-Vietnam cooperation in energy and expressed his desire that these ties would be constantly consolidated and developed in the interests of the two peoples and for the development of each country.

Singapore President Receives Nong Duc Manh

BK2009072895 Hanoi VNA in English
0641 GMT 20 Sep 95

[FBIS Transcribed Text] Hanoi VNA Sept. 20 — President of Singapore Ong Teng Cheong yesterday

received Chairman Nong Duc Manh who was leading a delegation of the Vietnam National Assembly now on an official friendship visit to Singapore and attending the 16th General Assembly of the ASEAN Inter-Parliamentary Organisation (AIPO).

Present at the reception were Mr. Tan Soo Khan, speaker of the Singaporean Parliament and AIPO president, and Vietnamese Ambassador to Singapore Nguyen Manh Hung.

President Ong Teng Cheong expressed his pleasure at the fine development of the friendly and cooperative relations between the two countries in recent years and Vietnam's admission to AIPO. The Singaporean president said that to strengthen the friendly and cooperative relations between the two countries it is necessary to exchange visits between high-level delegations, experts and businessmen. He also said that Singapore is ready to share its experiences with Vietnam and he hoped that the relations between Singapore and Vietnam would develop well.

Chairman Nong Duc Manh conveyed regards from General Secretary Do Muoi, President Le Duc Anh and Prime Minister Vo Van Kiet to the Singaporean president and informed him of the results of the meeting between the Vietnamese delegation and Speaker Tan Soo Khan. He also expressed thanks to the president, the government, Parliament and people of Singapore for supporting Vietnam joining ASEAN and AIPO.

The same day, the Vietnamese delegation met with the Singaporean minister for foreign affairs who warmly welcomed Vietnam's admission as the sixth member of AIPO and expressed his belief that the relations between the two countries would continue to develop.

Cooperation, Relations With Sweden Reviewed

*BK2109100895 Hanoi Voice of Vietnam in English
1000 GMT 20 Sep 95*

[Station commentary]

[FBIS Transcribed Text] Swedish Energy and Housing Minister Jorgen Andersson was received by Vietnamese Prime Minister Vo Van Kiet in Hanoi on Tuesday. Our editor highlights visits and cooperation between Vietnam and Sweden in recent years:

Mr. Andersson's visit to Vietnam is aimed at boosting bilateral relations in various fields, especially in energy, the key sector for cooperation. Prime Minister Vo Van Kiet highly valued Sweden-Vietnam cooperation in energy and expressed the need for stronger cooperation in other areas such as posts and telecommunications. He said suitable forms should be worked out to make bilateral cooperation much more effective.

Sweden was the first Western country to recognize and set up diplomatic relations with Vietnam in January 1969 and was a strong supporter of Vietnam's resistance [word indistinct]. Sweden was also the earliest and biggest aid donor to Vietnam with \$1.4 billion.

Vietnam's currently economic reforms are receiving enthusiastic assistance from Sweden. Sweden-funded projects include the Bai Bang Paper and Pulp Mill, the Children Hospital in Hanoi, the General Hospital in Uong Bi, the Labor People's Workshop in Hanoi, community health care, and primary health care. The country is also helping Vietnam renovate other sectors such as tax, accounting, banking, radio system, finance, and personnel training.

The two countries have signed a framework agreement on investment encouragement and protection and an agreement on avoidance of double taxation. Bilateral cooperation in investment, joint ventures, and trade is faring well. Sweden's (Kenwick Silvy) company is carrying out a joint venture in mobile phones with Vietnam's general directorate of posts and telecommunications with total capital of \$341 million. The two sides are preparing to sign an agreement on development cooperation for 1995 to 2000.

The Swedish energy and housing minister's visit to Vietnam is to facilitate implementation of the cooperation projects.

Le Duc Anh's Visits to Brazil, Cuba Previewed

*BK2209163495 Hanoi Voice of Vietnam in English
1000 GMT 22 Sep 95*

[FBIS Transcribed Text] At the invitation of the Brazilian President Fernando Henrique Cardoso and the Cuban President Fidel Castro, Vietnamese President Le Duc Anh will visit those countries in mid-October. Following is a review of relations between Vietnam and Brazil and Cuba.

Recently Vietnamese leaders have visited a number of countries to implement the open-door foreign policy. It will be the first official friendship visits to Cuba and Brazil by the Vietnamese president. The visits are of great significance because Vietnam and Cuba are carrying out process of reform, and at a time when economic cooperation between Vietnam and Brazil is beginning to develop.

The visits are to strengthen friendship and economic cooperation. Vietnamese people have always born in mind the precious support and assistance reserved for them by Cuban people during the war years of the anti-United States resistance for national salvation, in the spirit that, for Vietnam, Cuba is ready to donate

even its blood. In recent years, Vietnamese people by concrete deeds have shared with the Cuban people the hardship and difficulties caused by natural calamities and the United States' trade embargo against Cuba. Vietnam and Cuba have recently exchanged a number of senior delegations for better mutual understanding and to strengthen bilateral cooperation following the visit to Cuba by Prime Minister Vo Van Kiet in July 1993.

On returning from Cuba, the Vietnamese prime minister told the army newspaper that Vietnam was duty bound to share wealth and woes with Cuban people. Vietnam agreed to provide Cuba with 10 tonnes of rice annually and was prepared to share with Cuba all experiences gained from its renovation process.

For its part, Brazil, also a developing country in Latin America, has the potential to cooperate for mutual benefit with Vietnam in the principle of equality, especially in aviation of which Brazil has capital and experience in managing medium-range and long-route flights. Brazil is willing to cooperate with Vietnam in equipment and training to reorganize Vietnam's domestic flights. Vietnam and Brazil also plan to develop their economic, trade, and cultural cooperation.

The coming visits to Cuba and Brazil by President Le Duc Anh will bring relations and cooperation between Vietnam and those two countries to new heights.

Government Holds Regular Meeting 20-21 Sep

*BK2209074695 Hanoi VNA in English
0645 GMT 22 Sep 95*

[FBIS Transcribed Text] Hanoi VNA Sept. 22 — The government has convened its regular meeting here on Sept. 20 and 21 to discuss reports which will be submitted to the National Assembly.

The meeting was chaired by Prime Minister Vo Van Kiet, Deputy Prime Ministers Phan Van Khai and Nguyen Khanh.

The members of the cabinet heard a report on the direction for socio-economic development in the next five years (1996-2000), the socio-economic situation in 1995, a socio-economic development plan for 1996 presented by the chairman of the State Planning Committee, Do Quoc Sam and a report on the implementation of the state budget in 1995 and estimation of the budget for 1996 presented by Finance Minister Ho Te.

The government members unanimously appreciated the improved socio-economic development in 1995, especially in the fields of industry, agriculture, imports and exports, tourism, posts and telecommunications, finance and banking, science, education, culture, information

and healthcare. They held that the 1995 targets will probably be fulfilled or overfulfilled.

On the direction for socio-economic development in the next five years (1996-2000), the government affirmed that efforts must be made for a higher economic growth rate in comparison with the 1991-95 period in addition to urgent resolvment of social problems as well as the guarantee of social security and national defence, thus preparing for the better development at the turn of the century in the process of industrialisation and modernisation.

Addressing the closing session of the meeting, Deputy Prime Minister Phan Van Khai spoke highly of the great achievements recorded in 1995 as well as in 1991-1995, the first five year period when Vietnam fulfilled its major targets. He urged all branches at various levels, and localities to spare no effort for economic development by practising thrift, fighting against corruption and wastefulness, and using all resources from home and abroad better, thus creating vigorous social changes and satisfying the fundamental demands for stabilisation and improvement of the people's lives.

Deputy Minister Interviewed on Energy Supply

*BK2009143595 Ho Chi Minh City THOI BAO KINH
TE SAIGON in Vietnamese 31 Aug-6 Sep 95 p 6*

[Interview with Nguyen Duc Phan, deputy minister for energy, by Le Hung Vong; date and place not given]

[FBIS Translated Text] At the recommendation of Vietnam's National Committee for Asia Pacific Economic Cooperation [Apec], the Apec Committee recently held the Seventh Mineral and Energy Forum in Ho Chi Minh City. On this occasion we interviewed Mr. Nguyen Duc Phan, the deputy minister for energy.

[Le Hung Vong] Please give us an overview of the electricity demand and supply situation in Vietnam.

[Nguyen Duc Phan] Generally, the Vietnamese power sector is capable of meeting the demands of production and consumption. In the dry season though, the limited water resources might affect the power supply capacity. The Energy Ministry is carrying out measures to increase the sources of power supply, particularly installing gas turbines as a supplement for the dry season, especially in the south.

[Le Hung Vong] Therefore, is the plan, if any, to export electricity to our neighbors in the future feasible?

[Nguyen Duc Phan] Since Vietnam is now producing electricity at the maximum capacity of 100 billion kilowatt-hours, there is hardly any chance of exporting

it. This figure includes energy sources such as hydro-electric and oil- and coal-operated power plants. Also, with a population of 90 million after the year 2000, 100 billion kilowatt-hours will not be considered large compared to other countries in the region.

In increasing the sources of electricity supply to serve the national economy, the government has ordered the power sector to study power production using nuclear energy for the post-2010 period.

[Le Hung Vong] How will the nuclear power plant we envisage contribute to national power production? Or will it be just for research purposes?

[Nguyen Duc Phan] This is an inevitable development that we have to pursue. Otherwise, our power production will be limited to 100 billion kilowatt-hours. When divided by the population, this gives us a very modest figure of over 1,000 kilowatt-hours a head. By all means, we will have to produce electricity with other fuel sources including nuclear energy.

[Le Hung Vong] How big is the investment for a nuclear plant?

[Nguyen Duc Phan] At present, a national research committee is about to start work. The committee is responsible for research. It will submit a suitable policy for building a nuclear plant to the government.

[Le Hung Vong] Will the safety of the nuclear power plant be looked at?

[Nguyen Duc Phan] Of course. I think in 20 or 30 years, world technology will be at a level where the safety of nuclear power plants will no longer be a critical issue. At present, in some countries such as France, nuclear energy is the main source of power.

[Le Hung Vong] Several dissertations presented at the forum discussed the privatization of various activities of the power sector. Are these experiences applicable to Vietnam?

[Nguyen Duc Phan] In my dissertation delivered at the forum, I said that in the next five years, we need an investment of \$5-6 billion, or about \$1 billion annually. It is certain that domestically mobilized capital will not be adequate, and that we will have to borrow from overseas.

At present, the government is experimenting with some pilot projects under the BOT [Build-Operate-Transfer] model. However, the issue needs more discussion, as BOT involves private investment, whereas electricity is one of the core infrastructure sectors that has to be state-controlled.

Based on the results of these pilot projects, our state will draw up a national policy defining the areas where private investment is accepted to speed up the development of power production.

[Le Hung Vong] What is an acceptable percentage of private investment in power production?

[Nguyen Duc Phan] I am unable to say at present. The pilot projects the government has allowed will yield a total of about 1,200 megawatts. By the year 2000, the ratio will be 10 percent if we can raise our total production to 9,000 megawatts and private sector production remains at 1,200 megawatt.

[Le Hung Vong] Which areas of the power sector require more investments?

[Nguyen Duc Phan] At present, the sectors that are attracting much investment are the supply sources, transmission networks, distribution networks, and also in the restoration of the existing powerlines that are too old and overloaded. Such a network cannot respond in both quality and reliability terms to the demands of the national economy.

[Le Hung Vong] Could you please talk about the possibility of a rise in the price of electricity in the coming years?

[Nguyen Duc Phan] Our electricity price at present is too low, compared with other countries in the region. The power sector has huge development demands, yet the government still has to commit large subsidies. As electricity is a necessity, the government has decided to raise the price gradually to bring it up to the regional price levels by year 2000. This is about 7-7.5 cent/kilowatt-hour. However, to protect the interests of low income people, the price of electricity will be calculated progressively. For example, a household which uses less than 100 kilowatt-hours will pay less than one whose consumption is higher.

Paper Hails August Revolution, Party Leadership

*BK2109123995 Hanoi NHAN DAN in Vietnamese
2 Sep 95 pp 1, 4*

[Editorial: "Half a Century of Pride in Our Nation, Party, and State"]

[FBIS Translated Text] In a jubilant atmosphere 50 years ago today, in celebration of their new lives that changed from lives of enslavement to those of the masters of their own nation, almost 1 million Vietnamese people, representing all countrymen throughout the country, gathered at the historic Ba Dinh Square in the capital city of Hanoi to welcome the Declaration of Independence delivered by President Ho Chi Minh,

thereby giving birth to the Democratic Republic of Vietnam. Since then, 2 September and the 19 August Revolution have been recorded as the most brilliant events in the history of building and defending the Vietnamese nation. During the past 50 years, the statutes of the August Revolution and of our founding state have been increasingly enhanced and will exist forever.

The great achievements of the August Revolution were the new regime of the working people and the first worker-peasant state in Southeast Asia; the revolution was led by the party of the working class to remove the enslaving colonialist and imperialist yoke and to overthrow the feudalist monarchist regime. The victory of the 1945 August Revolution and the debut of the new state were attributed to the Vietnamese people in their protracted struggle against foreign aggression and domination, thereby optimally developing the Vietnamese nation's tradition of patriotism and unity that was built and fostered by our forefathers over several thousands years. This was the victory of Marxism-Leninism in a semi-feudalist colonial state. It was the first revolutionary victory to liberate a nation in the 20th century. This victory was the decisive turning point in leading our people to a new era—an era of independence, freedom, and socialism—thereby ushering in a new stage, the glorious Ho Chi Minh stage. In this context, the August Revolution and the newly established state were but the beginning of the victories of the Vietnamese revolution that followed.

"The Vietnamese nation has the full right to enjoy freedom and independence. Actually, Vietnam is now an independent and free nation. All the Vietnamese people are determined to uphold their spirit, to use their energy, and to sacrifice their lives and properties to firmly protect national independence and freedom." This is a portion of the 2 September Declaration of Independence, which showed not only our determination to protect our national independence but also our will, from the beginning of the uprising, to follow the path chosen by our people, by Uncle Ho, and by our party under the beacon of the Marxist-Leninist scientific revolution. National independence must exist in close association with socialism. After regaining national independence, our people earnestly wished to live in peace, freedom, and stability in order to build prosperity for the nation and happiness for everyone. The hostile forces, however, did not give up their attempt to exploit, oppress, and impose an enslaving yoke upon our people. As a result, the Vietnamese revolution had to fight again against enemies both at home and abroad during the 30-year protracted struggle, with numerous difficulties, unmeasurable hardship, and "most dangerous moments," in order to protect the newly regained independence and

the founding administration and to gradually achieve a complete victory. It required nine years after the August Revolution to achieve the Dien Bien Phu victory in 1954, thereby liberating the nation from colonialism. We had to spend 20 more years to achieve the 1975 spring victory to complete the mission of liberating and reunifying the nation. It is necessary to say that the path of national independence and socialist construction had not existed; it was the result of the great efforts made by the Vietnamese people, the Communist Party of Vietnam, and Ho Chi Minh Thought. Much flesh and blood were sacrificed by several Vietnamese generations, millions of heroic and fallen soldiers, and thousands of heroic Vietnamese mothers, who sacrificed their sons and daughters for the fatherland.

Since the early days of the people's administration, President Ho Chi Minh said: "Only when the people have a bountiful life will they be able to clearly realize the value of freedom and national independence;" and "it is useless if national independence is achieved, but the people cannot enjoy freedom and happiness." After more than 65 years of leadership and 50 years of building and protecting the administration, our party and state have consistently and firmly grasped Ho Chi Minh Thought and have built and strengthened the all-people unity bloc, including overseas Vietnamese, to motivate them to fight for: national independence and freedom; the happiness and bountiful lives of the people; and the release of the working people from all oppression, while developing their capability and creativity.

The national renovation undertaking started 10 years ago has recorded initial yet very significant achievements in all aspects of social life. Despite various complicated changes, our nation has consistently maintained political stability, overcome socioeconomic crisis, and extricated itself from economic blockage, thereby enabling us to expand relations with foreign countries, integrate into the international community, and promote friendship with all countries in the world for peace, independence, and development. These are the glorious victories symbolizing the firm political capability and creativeness of our people, party, and state, which have persistently upheld the spirit of the August Revolution. These are also the resounding achievements that have created favorable conditions for our nation to: seize opportunities, while containing various dangers; vigorously advance toward achieving industrialization and modernization; prepare ourselves for the 21st century; and attain the objectives of making our people prosperous, our nation powerful, and our society equitable and civilized.

The party will continue its leadership role, while the people are the masters through state management. To ensure that all powers belong to the people, we are building more capable and pure state apparatuses and have recorded notable achievements in this task. The party leadership is indispensable to ensure that the building and developing of our state is of the people, by the people, and for the people. The existence and development during the past 50 years of the Democratic Republic of Vietnam in the past and the Socialist Republic of Vietnam at present have testified to this truth.

With firm confidence and great encouragement, with the impetus of the August Revolution, and with the commemoration of our 50th National Day anniversary, our entire party, Armed Forces, and people pledge to continue the August Revolutionary undertaking and the Declaration of Independence's spirit to advance along the path of firmly maintaining national independence, improving socialist construction, and working wholeheartedly for the prosperity and vitality of the fatherland and happiness of the people.

McKinnon Praises Ties With Solomon Islands

*BK1509081995 Melbourne Radio Australia
in English 0500 GMT 15 Sep 95*

[FBIS Transcribed Text] New Zealand's foreign minister, Don McKinnon, has described his country link with Solomon Islands as in good heart. He says two countries were close on a wide range of regional and international issues, particularly, those of most relevance to the countries of the South Pacific region. Mr. McKinnon was speaking at the South Pacific Forum in Madang. He says more than \$2 million [New Zealand dollars] has been allocated for development assistance to Solomon Islands in the 1995-96 financial year. New Zealand and Solomon Islands, he says, share common perceptives on many regional issues, including opposition to France's resumption of nuclear testing.

Godfrain Meets With Pacific Representatives

*BK1809063695 Melbourne Radio Australia
in English 0500 GMT 18 Sep 95*

[FBIS Transcribed Text] Pacific leaders are locked in talks with a representative of the French Government in Papua New Guinea's capital, Port Moresby. Australian Minister for Pacific Affairs Gordon Bilney is presenting the opinion of his government and the South Pacific Forum to French Minister for Development Cooperation Jacques Godfrain. A Forum official said the South Pacific countries had put their points forcefully and the France had responded by trying to persuade regional officials that the tests were safe. The official also said that while the French minister expressed the desire for France to stay as a member of the post-Forum dialogue sessions, he also stated Paris would be continuing with its nuclear testing program.

The Forum summit in Madang last week called on France, the United States, and Britain to sign the South Pacific Nuclear Free Zone Treaty.

[Hong Kong AFP in English at 0553 GMT on 18 September in a similar report adds: "France, under fire in the Pacific for its nuclear tests, plans to increase foreign aid to the region and will consider signing a regional nuclear free zone treaty, French Cooperation Minister Jacques Godfrain said here Monday. He also said the International Atomic Energy Agency (IAEA) will send a mission to France's South Pacific nuclear testing site at Mururoa atoll and that both Australia and New Zealand, which strongly oppose the tests, will be part of it.

["Speaking to reporters after a closed session with delegates from the 16-nation South Pacific Forum, Godfrain said France had offered to increase aid for education, telecommunications, energy and fishing to Pacific nations. French aid is worth 20 million dollars

annually to the Pacific, but Godfrain declined to say how much new aid would be provided. There was no immediate reaction from Pacific delegates.

["Godfrain denied the aid offer was designed to placate Pacific nations, which strongly protested the resumption of nuclear tests at the Mururoa atoll. 'For the French government, cooperation is never compensation, it is humanitarian,' Godfrain said, adding the decision to increase aid had been made before the tests were announced."]

[The press agency continues: "Godfrain also said France 'will think about' signing a proposed treaty which would set up a nuclear free zone over a vast area of the South Pacific. On Sunday, the United States for the first time said it is likely to sign the treaty. Godfrain also acknowledged Monday that French-Pacific relations were poor. 'On Wednesday morning, at the cabinet council in Paris, I shall say that relations are not good, not at all,' Godfrain said. 'They have a position against the tests, okay, but out of that position they want to cooperate with us, and we want to cooperate with them. It is very simple.' He said the IAEA had agreed to a French request to send a mission to Mururoa and said France had no objections to New Zealand and Australian requests to be part of the mission."]

[AFP concludes: "Godfrain said he asked the dialogue panel Monday not to exclude France. He noted the next forum will be held in the Marshall Islands, scene of 66 US atmospheric nuclear tests and a country still trying to deal with the radioactive debris left behind. 'We hope that at the next forum there will be a report written by the scientists (on the Marshalls),' Godfrain said. 'The problem is of atomic waste. It's for the Americans to do something about it,' he said."]

French Polynesia

Activists Penetrate Security Net Into Atoll

*BK2209042795 Hong Kong AFP in English
0355 GMT 22 Sep 95*

[FBIS Transcribed Text] Papeete, Sept 21 (AFP) — Two Greenpeace activists who managed to penetrate the French South Pacific nuclear test site of Fangataufa said they were inside the atoll's lagoon for 15 minutes before being detected.

New Zealander Rachel Sanson and Belgian Roger Gregoor told a press conference Thursday that there was much more activity at the lagoon than at France's other testing site at Mururoa atoll, indicating that a second test will take place there.

Fangataufa, about 40 kilometers (25 miles) from Mururoa, is used for bigger nuclear tests and was the site of the biggest French atmospheric test.

"We entered the lagoon at about 5:00 A.M. Tuesday and saw two barges, with no one on them," said Sanson. Their Zodiac dinghy got within 50 metres (yards) of the transport support ship Bougainville. They saw (?10) different types of vessels in the lagoon.

After 15 minutes, their dinghy was spotted and between 50 and 60 people appeared on one of the barges.

The couple were taken by helicopter to Mururoa where they were questioned for about 17 hours about where they came from and how they managed to get through the security net.

But the French military disputed the activists' version of events, saying the dinghy was spotted immediately and had been allowed to enter the lagoon "because it is easier to work inside than outside. We decide the best moment for an interception," said an officer.

Thomas Shultz, a Greenpeace official in Papeete, said the expedition to Fangataufa had been a "symbolic" one, pointing out that with the seizure of its main vessels by the French, the movement could not carry out any major exercise.

Action before the courts and international forums now seemed the best way to try to stop the tests, he said.

New Zealand

UK High Commission Denies Receiving Test Data

LD2209101695 Wellington Radio New Zealand International in English 0700 GMT 22 Sep 95

[FBIS Transcribed Text] The British High Commission in Wellington has denied reports it has received data from a French nuclear test in the South Pacific earlier this month. The High Commission took the unusual step of publishing a statement quoting a Foreign Office spokesman in London. A front-page article in the GUARDIAN newspaper in London said this week

that Britain was secretly collaborating with the French program.

Britain has been criticized by environmentalist groups and by the New Zealand Government for refusing to condemn the resumption of French testing after a three-year moratorium.

Bolger: Ruling on Tests 'No Comfort' to France

BK2209110595 Hong Kong AFP in English
1043 GMT 22 Sep 95

[FBIS Transcribed Text] WELLINGTON, Sept 22 (AFP)—New Zealand Prime Minister Jim Bolger said France could take no comfort from the rejection Friday by the International Court of Justice (ICJ) of New Zealand's complaint over the resumption of French nuclear testing in the South Pacific.

The court ruled against reopening New Zealand's case, begun in 1973, against nuclear testing.

Bolger said while the decision was disappointing, the government would continue to press France to stop testing.

New Zealand could take satisfaction from the fact that the decision of the 16 judges had been split, rather than unanimous, he said.

"France can take no comfort from this decision. This was a decision on purely technical grounds about the terms of the 1974 judgment. It has no bearings on the merits of French nuclear testing," he said in a statement.

The original case was closed on December 20, 1974, with no judgement. At the time the court considered there was no point to New Zealand's request after Paris replaced atmospheric tests with underground explosions.

New Zealand's recourse to the ICJ was prompted by France's decision last June to resume a programme of up to eight nuclear tests on Mururoa Atoll in French Polynesia. The move sparked worldwide protests aggravated by the first test on September 5.

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